

# PARLIAMENT OF THE REPUBLIC OF FIJI



## PARLIAMENTARY DEBATES

### DAILY HANSARD

**TUESDAY, 10<sup>TH</sup> MAY, 2022**

[CORRECTED COPY]

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**TUESDAY, 10TH MAY, 2022**

The Parliament met at 9.33 a.m. pursuant to adjournment.

MR. SPEAKER took the Chair and read the Prayer.

**PRESENT**

All Members were present, except the honourable S.S. Kirpal, honourable L.S. Qereqeretabua, honourable Adi L. Qionibaravi and honourable T. Waqanika.

**MINUTES**

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

That the Minutes of the sitting of Parliament held on Monday, 9<sup>th</sup> May, 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, as well as those watching the live broadcast of the proceedings. Thank you for your continued interest in the workings of your Parliament.

USP – PL100 Government and Politics Students

Honourable Members, today we have another group of PL 100 - Government and Politics students from the University of the South Pacific. A most warm welcome to you all and I trust that the proceedings this morning will give you a better idea of how your Parliament works. You are most welcome.

**PRESENTATION OF REPORTS OF COMMITTEES**

Review Report on the Fiji National Provident Fund 2019-2021 Annual Reports

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the annual review of the Fiji National Provident Fund (FNPF) for 2019, 2020 and 2021.

This review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media.

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

Some of the pertinent findings emanating from the scrutiny of FNPF's Annual Reports, include:

- The Fund recorded a net income of \$543 million in 2021, compared to \$370 million in 2020. Strong performance in fixed income & treasury investments contributed \$331.3 million towards the net income. Other investment portfolio such as equities, commercial loans and properties added \$212.1 million as well.
- Due to such sturdy performance, an interest rate of 5 percent was declared and \$302.8 million was distributed to 389,986 members.
- The Fund's net assets stood at \$8.2 billion with a growth rate of 3.5 percent. The investment portfolio generated a return on investment of 6.5 percent overall.

At this juncture, I wish to thank the Chief Executive Officer of the Fiji National Provident Fund, Mr. Viliame Vodonaivalu, and his staff for their timely assistance in this review process.

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

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

(Report handed to the Secretary-General to Parliament)

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

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

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

Question put.

Motion agreed to.

#### Review Report on the Film Fiji January-July 2016 and 2016-2017 Annual Reports

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the report of the Standing Committee on Social Affairs on the Annual Review of Film Fiji for 2016-2017 and January to July 2016. This review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media.

The Committee first met to deliberate in April of this year and formulated questions pertaining to the Annual Reports, which were sent to Film Fiji for its response. Upon receipt of all

relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its report in May.

Some of the pertinent findings emanating from the scrutiny of Film Fiji's Annual Reports include:

- In 2016-2017, 58 productions were filmed in Fiji. These productions came from various continents and countries including, the USA, France, Poland, Scotland and Hong Kong.
- The 58 productions that came to Fiji in 2016-2017 generated \$212.3 million for new economic activities in the Fijian economy.
- Film Fiji was given a grant of \$1.4 million in 2016-2017, up from \$0.535 million received in the previous year.

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

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

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

(Report handed to the Secretary-General to Parliament)

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

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

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

Question put.

Motion agreed to.

Review Report on the Ministry of Local Government, Housing and Environment's  
2015, January-July 2016, 2016-2017 and 2017-2018 Annual Reports

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the annual review of the Ministry of Local Government, Housing and Environment for 2017-2018, 2016-2017, January - July 2016 and 2015. This review was undertaken in accordance with Standing Order 109(2)(b) which mandates the Committee to look into issues related to health, education, social services, labour, culture and media.

The Committee first met to deliberate in April of this year and formulated questions pertaining to the Annual Reports which were sent to the Ministry of Local Government and the Ministry of Housing for their response. Upon receipt of all relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its report in May.

Some of the major achievements of the Ministry in the 2017-2018 financial year include the following:

- 3 new fire stations were commissioned to serve the people of Taveuni, Seaqaqa and Savusavu.
- 73 major developments were approved, costing approximately \$324,433,890. These included the Wainibuku Subdivision, Seashell Resort and Sun Insurance Commercial Complex.
- 430 applicants received grants of which, 156 applicants received a \$5,000 grant and 274 applicants received a \$10,000 grant.
- Garvey Park in Tavua and Ganilau Park in Savusavu were redeveloped with facilities such as convenience, construction of the hall, pavilion, floodlights, et cetera.
- 1,423 applications were approved for the subdivision of land.
- 298 Rural Rezoning applications were approved.
- 37 recipients of the fire victim assistance benefitted and \$185,000 was paid.
- 11 settlement socio-economic surveys were conducted.

I wish to thank the Acting Permanent Secretary of the Ministry of Local Government, Mr. Shaheen Ali, and the Permanent Secretary for the Ministry of Housing, Mr. Sanjeeva Perera, and their staff for their assistance in this review process.

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

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

(Report handed to the Secretary-General)

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

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

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

Question put.

Motion agreed to.

### **CONSOLIDATED REVIEW REPORT - OAG 2020 ANNUAL REPORT AND ASSESSING THE OAG – SAI PERFORMANCE MEASUREMENT FRAMEWORK**

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

That Parliament debates the Review of the Office of the Auditor-General's 2020 Annual Report and Assessing the Office of the Auditor-General's - Supreme Audit Institution Performance Measurement Framework (Consolidated Report) which was tabled on 9<sup>th</sup> February, 2022.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, honourable Prime Minister, the honourable Leader of the Opposition, honourable Ministers and honourable Members of Parliament: Sir and Honourable Members, I as the Chairperson of the Standing Committee on Public Accounts who moved the motion, take this opportunity to speak on the motion on the Review of the Office of the Auditor-General 2020 Annual Report and Assessing the Office of the Auditor-General - Supreme Audit Institution (SAI) Performance Measurement Framework Consolidated Report.

Mr. Speaker, Sir, this Consolidated Report provides the Committee findings on the review made on the following reports - Office of the Auditor-General's 2020 Annual Report and the Assessment.

The Office of the Auditor-General (OAG) is established under Section 151 of the Constitution of the Republic of Fiji, and the Audit Act 1969 further specifies the powers of the Auditor-General to audit the whole of Government financial statements and reports of all entities of Government. It also empowers the Auditor-General to conduct performance audit of Government entities, to assure Parliament that the entities are achieving their objectives effectively and in doing so economically and in compliance with all relevant legislations.

Mr. Speaker, Sir, the Auditor-General is responsible, on behalf of Parliament, to audit the accounts of all Government agencies, State-Owned Entities (SOEs), Statutory Authorities (SAs), Municipal Councils and Provincial Councils, except for its own office and those entities that may be exempted by law. The Auditor-General carries out the audit in accordance with the relevant provisions of the standard on auditing issued by the Fiji Institute of Accountants or other relevant standards considered appropriate.

Moreover, Section 152 of the 2013 Constitution of the Republic of Fiji states, and I quote:

- “(1) At least once in every year, the Auditor-General shall inspect, audit and report to Parliament on -
- (a) the public accounts of the State;
  - (b) the control of public money and public property of the State; and
  - (c) all transactions with or concerning the public money or public property of the State.”

Mr. Speaker, Sir, the Supreme Audit Institutions (SAIs) plays a critical role in strengthening governance, accountability and transparency in the Government. As such the OAG is expected to promote transparency and accountability through good governance of its own affairs in an ethical manner in order to fulfil its mandate. To assist in this crucial role, it is important that OAG leads by example and be a role model organisation.

Mr. Speaker, Sir, the decision to undergo a SAI Performance Measurement Framework, assessment was made by the OAG in order to provide an independent assessment of the current operations and audit practices of the Fiji OAG against the international standards specifically, the International Standards for Supreme Audit Institutions (ISSAIs) and other established international good practices for public auditing.

Mr. Speaker, Sir, for the OAGs Independence and legal framework, the work to update and modernise Fiji's audit legislation, the Audit Act 1969, commenced before the SAI Performance

Measurement Framework assessment was initiated. The review was carried out by a legal consultant and funded by Pacific Association of Supreme Audit Institutions (PASAI) and the review had already considered three key issues for improvement identified from the assessment. The OAG has submitted the result of the review of the Audit Act 1969 to the Ministry of Economy for submission to Cabinet.

In terms of financial independence, the Office now receives a one-line budget, a separate bank account and accounting/payroll system providing the Auditor-General financial independence. For information, OAG now prepares its annual financial statements using the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) as the financial reporting framework.

It is important to note that the OAG is funded through an annual appropriation by Parliament. This enables the OAG to fulfil its audit mandate on public sector entities and these include financial audits, performance audits and special investigations. In the 2020 financial year, the budget appropriation stood at \$5.6 million.

Mr. Speaker, Sir, the Committee after carrying out a thorough review of the OAG Annual Report and the Supreme Audit Institution Performance Management Framework, the Committee in a bipartisan approach agreed on the following recommendations, that:

1. The OAG amend their Strategic Plan to ensure that its audit mandate is not disrupted due to unforeseen circumstances and events like the COVID-19 pandemic.
2. A proper training plan be developed to be in line with the audit training needs of the staff so they are able to better improve their performance and productivity, as mentioned in the Performance Management Framework Report.
3. The OAG liaises with Ministries and Departments to allow for proper facilitation of payments for outstanding audit areas, especially from Municipal Councils and Provincial Councils.
4. The OAG needs to specifically identify strategies and work towards improving on its own current Public Expenditure and Financial Accountability (PEFA) rating of C+ before the next assessment period.
5. The Pacific Association of Supreme Audit Institutions (PASAI) should conduct more regular reviews on the OAG in the future which would allow the office to be on par with international auditing standards.
6. The OAG should consider exploring the use of technological infrastructure to assist in the conduct of their online audit in future.
7. The OAG should take note of the areas of improvement and implement improvement before the next PASAI review commences.
8. The OAG should follow up with the line Minister on the review of the Audit Act 1969 and modernise to suit the current environment of doing business.
9. The OAG to conduct a comprehensive exit meeting to allow Ministries and Departments to rectify pertinent audit issues before the tabling of audit report to Parliament.

Mr. Speaker, Sir, with that contribution, as the Member moving the motion, I thank you for this opportunity.

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

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I rise as a Member of the Public Accounts Committee to contribute on the motion before this Parliament this morning which is the Consolidated Report on the Review of the Annual Report of the Office of the Auditor-General 2020 and the



Performance Audit undertaken by the Supreme Audit Institution on the Office of the Auditor-General.

Sir, we acknowledge that this assessment framework is a first ever independent review of the Office of the Auditor-General (OAG) under the Supreme Audit Institution (SAI) Performance Management Framework which was solely carried out by the Pacific Association of Supreme Audit Institutions (PASAI) and also received during the year. It had addressed areas where the OAG had excelled in and those where it needed great improvements.

The objective of the review, Mr. Speaker, Sir, was to provide an independent assessment of the current operations and audit practices of Fiji's OAG against international standards, specifically the International Standards for Supreme Audit Institutions and other established international good practices for public auditing. Also, Sir, this assessment was funded by the European Union (EU) and implemented by the United Nations Development Programme (UNDP) in partnership with PASAI.

In line with the objectives of PASAI 12, the value and benefits of SAI making a difference to the lives of citizens, the SAI Performance Measurement Framework also provides the OAG with an objective basis for demonstrating its ongoing relevance to citizens and other stakeholders. It assesses the OAG's contribution towards strengthening accountability, transparency and integrity.

Mr. Speaker, Sir, it also gives the OAG an opportunity to become a model organisation - leading by example in promoting transparency and accountability through credible public reporting on its own performances. The review of the OAG was done in six areas as follows:

1. Independent and Legal Framework of the organisation;
2. Internal Governance and Ethics of the OAG;
3. Audit Quality and Reporting;
4. Financial Management, Assets and Support Services;
5. Human Resources and Training; and
6. Communication and Stakeholder Management.

Let me just contribute further on some of the Committee's recommendations. The Committee, after carrying out a thorough review of the OAG's 2020 Annual Report and the SAI Performance Measurement Framework, in a bipartisan approach agreed on the following recommendations:

1. The OAG to amend its strategic plan to ensure that its audit mandate is not disrupted due to unforeseen circumstances and events like the COVID-19 pandemic.

Mr. Speaker, Sir, my comment on that is I am totally in agreement with this recommendation. The OAG may need to explore the use and adaptation of IT infrastructures in their audit conduct. As we all know, the OAG in the conduct of the audit, they used to be doing physical verification and physical presence in the ministries and departments that are under audit. This means that when events like COVID-19 pandemic reoccurs in the future or similar, the OAG is equipped to conduct its normal work with the IT infrastructure and the pandemic, Mr. Speaker, Sir, gives the OAG a perfect opportunity to assess its capability and make recommendations to government for improvement.

2. Proper training plan be developed to be in line with the audit training needs of the staff so that they are able to better improve their performances and productivity.

My comments on that, Mr. Speaker, Sir, is that staff training is a necessity in any organisation and the OAG is no exception, given the evolvement of the government system and processes through international benchmarks, it is incumbent on the OAG to facilitate the highest level of training, not only for its staff but also in conjunction with other line Ministries, the training of relevant officials who are desk officers for audit purposes.

3. The OAG should liaise with Ministries and Departments to allow for prompt facilitation of payment of outstanding audit arrears, especially from Municipal Councils and Provincial Councils.

Of course, Mr. Speaker, Sir, the increasing arrears of fees from Municipal and Provincial Councils is an area of concern in the OAG. It is advisable that given the chronic delays in payments, it would be good for the OAG to provide legal powers to pursue these recoveries. At the moment, they do not have any legal powers to pursue the collection of those arrears and we note that the OAG also contracts out auditing of most Municipal and Provincial Councils due to the limited number of auditing firms that are currently available. This costs money to the OAG and must be recovered.

It has been observed that due to the limitation of audit firms, reports from municipal and provincial councils are also often delayed. On that note, Mr. Speaker, Sir, the recent amendments to the Fiji Chartered Accounting Act 2021 did not include the provision of auditing services and this limits the resources that the OAG can tap into to obtain the maximum value for money on the conduct of audit.

4. The OAG needs to specifically identify strategies and work to improve on its current Public Expenditure and Financial Accountability (PEFA) rating of C+ before the next assessment period.

Mr. Speaker, Sir, to improve its rating, the OAG needs to be adequately resourced in terms of financial, staffing and infrastructure, and even the environment that they work in. It is important that the government recognises the role of the OAG for scrutiny of the current Government system but it will also be for future governments.

Also, Mr. Speaker, to allow the Auditor-General to improve its rating, Government needs to be able to stop changing the Auditor-General on a regular basis. Government needs to display consistency by working on keeping those appointed in the positions of Auditor-General, for example, for two terms.

5. The OAG should follow up with line Ministers on the review of the Audit Act 1969 to modernise to suit the current environment of doing businesses.

This is one of the recommendations from the PASAI review of the OAG. It states that the Audit Act 1969 does not provide the Auditor-General with the power to communicate directly with the Judiciary or report audit findings to prosecuting and investigating agencies. As such, any communication processes to guide OAG's interaction with the Judiciary or special prosecuting agencies is yet to be developed. This may change when the current audit law is modernised and it is incumbent on Government to prioritise this

so that we are internationally compliant to auditing standards. If Government can be reviewing archaic laws in other sectoral areas, this must be included too as a priority.

Mr. Speaker, Sir, we are no doubt nearing the end of the second term of Parliament of the current Government and the Fiji Institute of Chartered Accountants Act 2021 which was passed in this august House in 2021 is yet to be implemented by the Fiji Institute of Accountants. I know this because I have made several attempts to register under this Act with the Fiji Institute of Accountants, but I have been advised that they are still waiting the Solicitor-General's clarification on the rules and regulations under the said Act and we recommend to the Solicitor-General's Office to give this a priority and to commence this new Act.

6. The OAG to conduct a comprehensive exit meeting to allow Ministries and Departments to rectify pertinent audit issues before tabling of audit reports to Parliament.

Mr. Speaker, Sir, to remove the politicisation, unnecessary panic and finger-pointing that can be result of an audit by the OAG, it is crucial that the exit interview meeting recommended by the OAG with Ministries and Departments be prioritised by various entities. Government must play a bigger role in mandating its officials, especially the Permanent Secretaries. Government must prioritise this with Permanent Secretaries to participate in this exit meetings for it is in the best interest of the entities involved to do so.

Once the OAG prints out its report, various Ministries and institutions would then be comforted that the OAG is presenting a fair, balanced and accurate account of their audit findings. Perhaps, Mr. Speaker, Sir, we will hear less complaints against the OAG then. The ball is really in Government's court.

Mr. Speaker, Sir, I leave the other recommendations to the other honourable Members of the Public Accounts Committee and other honourable Members in this august House to contribute on and update this Parliament.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I rise to contribute to the motion that is before the House and I thank the Committee for the report and the various recommendations they have made.

The Ministry of Local Government acknowledges the recommendations made by the Standing Committee, in particular the recommendation on the prompt facilitation of payments that should be made by the Ministry of Local Governments on outstanding audit arrears.

Mr. Speaker, Sir, in response to this recommendation, the Municipal Councils have made appropriate arrangements with the Office of the Auditor-General (OAG) to clear the outstanding audit fees. From close to about \$500,000 that was owed to the OAG, Municipal Councils have cleared and only \$50,000 is left to be cleared - the rest have been cleared.

Mr. Speaker, Sir, I wish to inform the House that the Municipal Councils have made arrangements with the OAG to settle the arrears in instalments. This is particularly for the small Municipal Councils, like Rakiraki, Tavua, et cetera. The reason is that, small Municipal Councils have very limited revenue base.

Mr. Speaker, Sir, the Ministry of Local Government wishes to further respond to the following PAC questions marked as Appendices 1 and 2 in the Report of the Standing Committee on

Public Accounts. In response to the Municipal Councils adopting the International Financial Reporting Standards (IFRS), I am pleased to inform the House that all 13 Councils are transiting to IFRS to prepare their Financial Statements for auditing purposes. This has also been made mandatory through the new finance policies that have been developed and implemented by all the Councils.

Mr. Speaker, Sir, as for the improving of the accounting systems and processes, most of the Municipal Councils have invested in MYOB accounting software to store and retrieve data. Through this software, the Councils are now able to create accounting systems for their organisation.

Mr. Speaker, Sir, the Municipal Councils have been late in submitting the financial statements for audits and we acknowledge that. The main reason for that delay was due to the lack of skilled personnel. There were staff laxity and the use of improper accounting software to name a few. But I must give credit to the Chief Executive Officer (CEO) and Special Administrators (SA) of the Municipal Councils. In the last couple of years, they have submitted more than 130 Annual Reports to Parliament and the Municipal Councils are still working to clear the backlog. We will be presenting some more Annual Reports in the Parliament, soon.

The Municipal Councils, in collaboration with the Ministry, will work towards improving the systems and processes at the Council and they have made a lot of progress in that area by recruiting the right people for the right job. The organisation structures have been completed and various policies have been introduced so, Mr. Speaker, Sir, we expect a lot of improvement in their service delivery, as well as in the submission of the Reports, et cetera, to this House. Thank you, Mr. Speaker, Sir.

HON. V.R. GAVOKA.- I welcome the opportunity to speak on this topic. Mr. Speaker, Sir, I would particularly want to touch on something that is relevant today, in terms of some of the requirements under the Financial Management Act that is creating a lot of anxiety within the political parties in this country. That is the demand that the political parties present their Manifesto to who we do not know or else we do not know.

HON. A. SAYED-KHAIYUM.- Nice.

HON. V. R. GAVOKA.- Yesterday, Mr. Speaker, Sir, the honourable Minister for Economy, Minister for Elections and the General Secretary for the FijiFirst Party made some threats here to us that you watch what you have to say or you will have to account for everything that we say. This was a threat to us, Mr. Speaker, that would dampen the spirits of the democracy in this country as we head towards elections.

Mr. Speaker, Sir, this should not be a case as this is an Election year, we should celebrate our democracy and no one should be telling us to watch what we say. This is a free country, we have our manifesto, we have what we believe is good for this country. There are nine political parties in this country, Sir, competing for election this year, no one should be threatened in the way it was done yesterday.

MR. SPEAKER.- Honourable Member, stick to the motion of today.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, when the Chairman of the Committee spoke, he said that it should improve the work of OAG relevant to the current environment. The current environment is that we do not know which competent body is going to give a pass or fail to a manifesto.

(Chorus of interjections)

HON. V.R. GAVOKA.- We went to the FEO and asked if he was going to give us an A, F or D on our manifesto and he said, 'No, we do not know.' Can you give us a template? No, we do not have one.

Mr. Speaker, Sir, when you lay down rules like that, please go through the thought process properly so that we are clear on what we should do. The OAG, should play a lead role in this.

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- Are we going to be audited by them, Mr. Speaker, Sir?

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. V.R. GAVOKA.- Our fear, Mr. Speaker, Sir, is that all this extends to who we are as a free people. There should be no disillusionment to our people that a manifesto cannot be discussed openly as you did in the past. Now, we are going around registering people to vote, at the same time we are putting obstacles with the political parties.

All this come together, Mr. Speaker, Sir, to give clarity, we are asking for clarity and we believe the Office of the Auditor-General should play a role in this and lay out the rules very clearly, otherwise we are going to have another 2018. In 2018 about 171,000 people did not vote and that was too high for a small country like Fiji. It was a failure on the part of the Elections Office, Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Member, stick to the motion that is before the House.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, we are reviewing the work of the OAG and we want them to give clarity to the way we do business in this country. It is very important, that institutions should be given the independence to do their own work. For this one here, Mr. Speaker, Sir, we know what happened - they fired the Auditor-General.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Point of Order, Sir.

MR. SPEAKER.- What is the Point of Order?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, honourable Gavoka and his political desperation is once again misleading Parliament. The Auditor-General was not fired, his contract of five years came to an end and like any other position, and he can apply for it. The job has already been advertised and people can apply for it. I do not know whether he applied or not but the Committee will look at that but he has not been fired - please do not mislead Parliament.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, that was a nice line 'political desperation'. Desperation is threatening other political parties to complicate matters for them. We live in glass

houses so do not throw stones, please.

HON. A. SAYED-KHAIYUM.- Speak the truth.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, that is my concern. The Financial Management Act covers this manifesto thing and we want clarity; no one should be threatened in this country in the way they exercise democracy.

Mr. Speaker, Sir, I rest my case there, I hope that people across the aisle understand what I am trying to say and act accordingly for the benefit of our people in the election that will be held this year. Let us have a good election and please let us not threaten the political parties - as the Minister for Election has done yesterday.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Thank you, Mr. Speaker. One of their former colleagues did say that they have all been instructed to make a lot of noise when I speak.

(Chorus of interjections)

So, Mr. Speaker, they are continuing with that tradition – the silent 25.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Anyway, Mr. Speaker, I thank the Committee for this Report and note the recommendations made to further strengthen the Office of the Auditor-General (OAG) both, in terms of its work and independence.

Mr. Speaker, I know the recommendations come against the backdrop of an inquiry into the OAG appointed by His Excellency the President on 31<sup>st</sup> December last year. We all know that the OAG has been under severe and intense scrutiny by this Government for a while, and its role, performance and independence has been questioned even on the floor of this Parliament by a select few and led by none other than the honourable Attorney-General, so much so that we even had claims in this Parliament that the Auditor-General was having grog with some Opposition Members.

Mr. Speaker, the work and recommendations of this Committee ceases to have any meaning if the Auditor-General, who must only report to Parliament and no one else, is maligned inside the same house that protects the OAG, as well as preserves its neutrality and independence. Mr. Speaker, I have said this before in this Parliament that the Executive reports to Parliament, the Executive does not run Parliament. The Executive does not run the Independent Offices.

HON. GOVERNMENT MEMBER.- We know that!

HON. PROF. B.C. PRASAD.- You do not know that, that is the problem. You do not know half the things that is happening inside FijiFirst.

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- The Auditor-General, Mr. Speaker, reports to this Parliament through the Speaker, and no one else. That has been traditionally the norm at all times, and we all know that. The reports are then referred to the Public Accounts Committee (PAC) and, of course, like anyone else, we are not saying that the Auditor-General is immune from scrutiny and criticism, but these have to be based on facts and facts alone – nothing else.

In a normal and genuine democracy, Mr. Speaker, Government Ministries, statutory organisations, Government Commercial Companies and entities answer to queries, agree to rebut the Auditor-General's Report concerning them at hearings of the Public Accounts Committee. This is all part of the scrutiny.

But when the Auditor-General is sitting together with the Chief Legal Officer of the State, the honourable Attorney-General, who in this case also happens to be the Minister for Economy, announcing changes to a report as was seen five years ago, something is not right, Mr. Speaker. I had said that in Parliament yesterday. This was even before the PAC could scrutinise that. Therefore, the perception of the people about the neutrality of an independent office being compromised, naturally gained momentum rightly or wrongly - perception is also very important.

The result, Mr. Speaker, is that we do not have a substantive Auditor-General. The last person to hold that Office is, in a way, associated with OAG. He lasted only one term on the job and may have opted to exit instead of reapplying, as reported by the media four months ago.

Again, Mr. Speaker, this Government was shooting the messenger at all times instead of shooting the message, so much so that there was a press statement from the OAG on 30<sup>th</sup> December, 2021. The statement that can be found on the OAG site said this, Mr. Speaker, and I want to quote from the official media release:

*“OAG's Response to Recent Public Statements*

*It is rather unfortunate that public statements have been released to publicly denigrate the reputation of the Auditor-General and the Office of the Auditor-General and selectively publish information concerning annual audits.”*

That is the release from the Auditor-General.

Mr. Speaker, Sir, that kind of stupid interjections from someone who is always concerned about pigeon shooting. The second paragraph states, and I quote:

*“The Auditor-General will not respond directly and publicly to the various allegations contained in these statements. The Auditor-General and the Office of the Auditor-General is bound by section 8 of the Audit Act 1969 concerning secrecy and the confidentiality aspects of the auditor - client relationship governing the audit profession. In addition, the Office of the Auditor-General will not release any information, not yet publicly available, concerning any audit client, except in the Auditor-General's reports to Parliament.*

The Office of the Auditor-General accepts that it currently has the enormous challenge and responsibility of auditing backlog draft financial statements, which were not submitted annually over several years, within the resources that it has been allocated. And

the Office of the Auditor-General will continue to work with these State entities to ensure that audits of financial statements are updated.

The Auditor-General and the Office of the Auditor-General will continue to diligently deliver its responsibilities as mandated by the 2013 Constitution and Audit Act 1969.

The Auditor-General and the staff of the Office of the Auditor-General are hopeful for a better year ahead and wish everyone a happy and prosperous 2022.”

That was what the Auditor-General said in the press release.

Mr. Speaker, Sir, I read this statement because that statement is a damning indictment of Government's thorough dislike of the Office of the Auditor-General or the Auditor-General himself. It is clear as daylight that the statement from the Office of the Auditor-General was made to defend the Office from being denigrated by the Government.

Mr. Speaker, Sir, this Government's *modus operandi* is simple and we all know that. It will malign anyone and everyone it dislikes or feels that their actions will expose them. No other government has changed rules of the game, in this case, the Standing Orders, more than the current Government. No other government, and that is true, had usurped the powers of parliamentary Standing or Select Committee other than the current Government, because, Mr. Speaker, Sir, some of them are used to dictatorship, and they want to run this Parliament like this.

Mr. Speaker, Sir, this brings me to address some of the honourable Attorney-General's thoroughly misleading remarks that stooped to gutter levels yesterday afternoon. He has lied about this many times. I made the remarks on the report tabled from 2007 to 2013 by the OAG, before I was elected as the Chairman of the Standing Committee on Public Accounts, because the report was public. In fact, when I became the Chairman, the Government nominees - honourable Koroilavesau, honourable Balmindar Singh and honourable Sanjeet Patel, supported my work in the Committee. In fact, they were very good members of the Committee and my Opposition colleague, honourable Aseri Radrodro.

I know, honourable Koroilavesau used to give me full support in the Committee.

HON. CDR S.T. KOROILAVESAU.- I am not on that Committee anymore.

HON. PROF. B.C. PRASAD.- The running commentaries that the honourable Attorney-General refers to are proceedings of the Committee, because the Committee hearings were public. It was a public event with media attending so if I was making the comment as part of the Chairman of the Committee, in the Committee which is publicly covered by the media, of course they will report what I say. What is wrong with that? That is what he is saying, that I was giving a running commentary, after all the meetings were public, transparent, informative and open to the press. I know, one day, the honourable Attorney-General and the honourable Prime Minister walked into the Public Accounts Committee meeting and I welcomed them. The media was there but then they keep talking about public commentary.

HON. A. SAYED-KHAIYUM.- Yes.

HON. PROF. B.C. PRASAD.- But the point is, Mr. Speaker, that they were picking their statements from the meeting of the Standing Committee itself. The reason (I have said this before)



why they changed the Standing Orders was because they did not want the Opposition to chair the Committee, they did not want the scrutiny of the audit reports in the way that it used to be done in the traditional manner where the Public Accounts Committee was always chaired by an Opposition Member.

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- It is very clear that the Office of the Auditor-General was always under siege by this Government and the government before that they were part of because from 2007 until 2013, there was no Auditor-General's Report until the Parliament convened, it was not made public. They say, "Oh, there was no Parliament" but the report could have been made public, the Auditor-General's Report is a public report and if you do not have a Parliament, if you have a military government, they would do that.

(Honourable Members interject)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Coming back to the recommendations, in fact all the recommendations in this report is really about what the Office of the Auditor-General needs to do. I do not think there is a clear recommendation as to how to strengthen the independence of the organisation, how not to get Government Ministers to interfere in the work of the Office of the Auditor-General.

(Honourable Members interject)

HON. PROF. B.C. PRASAD.- I will give you an example. I know you're sleeping on the job...

MR. SPEAKER.- Order, order!

(Honourable Members interject)

HON. PROF. B.C. PRASAD.- ... that the report was changed.

(Honourable Members interject)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- You have been sleeping and your Minister of Agriculture.

(Honourable Members interject)

MR. SPEAKER.- Honourable Member, address the Chair, do not carry out a conversation with the other side.

HON. PROF. B.C. PRASAD.- I do that, Mr. Speaker, but the interjections are so stupid that I get distracted so much.

(Laughter)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Nothing, Mr. Speaker, on how the Office of the Auditor-General could be resourced well. In fact in the report itself, the Auditor-General himself is saying that he has no control over the office he runs, he has no control over the vehicles that he gets.

HON. GOVERNMENT MEMBER.- What!

HON. PROF. B.C. PRASAD.- This is what he is saying - it is in the report.

HON. A. SAYED-KHAIYUM.- He is lying. Like you, he is lying.

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- You mean to say the Auditor-General lied to the Committee?

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- You mean to say, Mr. Speaker, that the Auditor-General in this report lied to the Committee?

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- This is the Auditor-General replying to the Public Accounts Committee.

HON. A. SAYED-KHAIYUM.- He is lying.

HON. PROF. B.C. PRASAD.- So they are saying that the Auditor-General was lying.

HON. A. SAYED-KHAIYUM.- Yes, he was.

HON. PROF. B.C. PRASAD.- The other point in this report and I want to quote them. He comes to a Parliamentary Committee and they are saying that he lied.

HON. A. SAYED-KHAIYUM.- Yes.

HON. PROF. B.C. PRASAD.- I would believe the Auditor-General than some of you sitting on the other side.

(Honourable Members interject)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- If you look at just one more point that the Auditor-General has been saying and this is in this Supreme Audit Report, it actually says that the executive does not have a role in the appointment of the Auditor-General but the Auditor-General does not have the independence (this is the supreme audit institution) in terms of the resources and the way the budget is determined.

But even that, Mr. Speaker, where it says that the Executive does not have a hand in the appointment or does not influence, in fact the Constitutional Offices Commission is chaired by the Prime Minister, the Attorney-General sits in that Committee, the Government appoints two Members so in a very direct way the executive has a hand in the appointment of the Auditor-General. On top of that, they do not have the means of acquiring the resources in an independent manner. So, it is very clear, I mean the honourable Attorney-General says that this man (the Auditor-General who is no longer there) I know why he did not apply, because you attack him publicly. Why would he want to be an Auditor-General for another five years when he knows that he would not be able to do his job, he was a professional man and then ...

HON. A. SAYED-KHAIYUM.- What did he tell you?

(Honourable Members interject)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- He does not text me like your minions text you ...

(Laughter)

He does not text me like your minions in independent institutions text you. The honourable Attorney-General, just be a good, honest man, just be a bit honest.

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- This man (the former Auditor-General) was a man of integrity. When you attack him publicly, when you malign him publicly, why would anyone Mr. Speaker, Sir, want to be in the job?

HON. A. SAYED-KHAIYUM.- A candidate.

(Laughter)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Mr. Speaker, I wish he will come to us but this is the level of deceit and lies that they come up within Parliament. They actually said that the Attorney-General lied. This is really shameful to say that the man is not in the job, he came to the Public Accounts Committee said what he said in this Report and the honourable Attorney-General is saying that he is lying...

HON. A. SAYED-KHAIYUM.- Yes.

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- ... without him having the opportunity.

Mr. Speaker, Sir, let me say this, that this Government has run out of time, has run out of money, has run out of ideas and in fact it has ran out of good people who want to serve this government any more.

HON. S. ADIMAITOGA.- That is why you joined them!

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- And the silent 25, all they do, Mr. Speaker, Sir, is make stupid interjections. That is all they do, and the people of this country know this. No amount of fear mongering or stalking fear from the past is going to sway them to voting these people again. They must understand that their time is up. Thank you, Mr. Speaker, Sir.

HON. RO F. TUISAWAU.- Mr. Speaker, Sir, I rise to contribute to the motion on the OAG's Report and it is shocking to hear the other side saying that the Auditor-General is a liar. Not only they said this once but they said it several times and when they say that they undermine that Office, but that is not new.

HON. A. SAYED-KHAIYUM.- He is no longer there.

HON. RO F. TUISAWAU.- The issues with the Auditor-General, I note the recommendations in front of us.

HON. A. SAYED-KHAIYUM.- He is no longer there.

MR. SPEAKER.- Order!

HON. RO F. TUISAWAU.- And they are very good at interjecting and interfering, very good at that.

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. RO F. TUISAWAU.- I note that the issues with the Auditor-General even though the Report is in front of us started when he issued a qualified opinion on the 2015 Accounts of *Walesi* and raised issues regarding that. From there the *Walesi* started making excuses and blaming OAG regarding the delays in the Report.

I know OAG had raised the issue about how long it took them to get their accounts in order and why was it three years late. So that was one of the main issues I suppose motivating the Government to undermine that office up to now. Again as raised by the previous speakers, we have in front of us a commission of inquiry into the OAG and I question why. Why do they have to do that in terms of the importance of that role to the nation and in terms of accountability and this is going on.

Looking at the terms of reference: examine the conduct operations and performance of the Office of the Auditor-General, make recommendations to eliminate any unlawful, improper, ineffective or inefficient practices rather than the focusing on what the OAG has raised in terms inefficiencies, untimely reports, delayed reports, et cetera, the Government is now focussing on witch hunting at the Office of the Auditor-General rather than looking at the faults that the OAG has raised. The Minister should ensure that the Annual Reports are on time and audit issues are addressed rather than wasting public funds on this commission of inquiry.

To reflect on my colleagues' concerns regarding the contract of the incumbent, why was it not renewed? The Honourable Attorney-General had explained that. Of course, he did not apply because he was pressured not to apply and that is the problem.

Of course, that goes hand in hand with what we raised yesterday regarding the pressure on heads of statutory organisations and Permanent Secretaries to make political statements. A few of them have made political statements. I noticed that these have been prepared for them and why do politicians have to sacrifice the civil servants. Why do they not make the statements themselves?

(Honourable Member interjects)

MR. SPEAKER.- Order!

HON. RO F. TUISAWAU.- A few of them have made it and we need to warn the civil servants that they are not politicians. If they make political statements they need to resign and stand in the Elections, of course, some of them are quite close to the Honourable Attorney-General that they send texts to him. I mean, how independent are they in closely liaising with the Honourable Attorney-General?

I also note regarding the Office of the Auditor-General that this is part of the witch-hunt in the victimisation of this particular office. On the budget, why has the budget reduced over the years? In the last four years the Office of the Auditor-General's annual budget has fallen by a quarter from \$6.6 million in 2018/2019 to \$4.9 million in 2021/2022. Again, I would like to emphasise, how can they do their proper duties with these kinds of reduction?

The Office of the Auditor-General again, it is very important to note that it was established under the Constitution as the other side knows, and request the office that at least once a year he must inspect, audit and report to Parliament on the Public Accounts of the State on the control of public money, public property, et cetera.

It is very important in terms of good governance and transparency and that is why we on this side of Parliament are very concerned about the victimisation of the last Auditor-General and the undermining of the Office of the Auditor-General.

The Audit Act 1969 clearly specifies the powers and the empowerment of the Auditor-General to conduct performance audit, the scope of the audits and of course the Standing Order is clearly specified there on 103 - the Minister responsible for Finance must lay the Auditor-General's Report before Parliament in accordance with Section 152(14) of the Constitution. This all boils down to good governance and transparency. Mr. Speaker, Sir, good governance and transparency go hand in hand with media freedom.

Unfortunately, under this Government Fiji has been classified as the worst place for journalists. The reporters just recently released a statement, Fiji has been ranked as the worst place

in the Pacific region for journalists in the latest assessment by global press freedom watchdog reporters without borders.

In RSF 2022 World Press Freedom Index released this week Fiji was placed 102 out of 180 countries of receiving an overall score of 56.91 out of 100. Fiji nearly failed, 59. The country slipped by 47 places compared to its 2021 rankings when it was placed 55 out of the 180 nations.

A statement was also issued regarding this by the Fiji Media Association and let me read out what they stated. It says that the Fiji Media Association says the Reporters without Borders Report is another clear reminder to the government to review and remove sections in the Media Industry Development Authority Act that imposes harsh penalties on the media. It says these breaches include content that is deemed against public interest or order, against national interest or creates communal discord or even if the media does not include a by-line for articles exceeding 50 words. The Association says who defines what is against the public interest or what is against the national interest and while the Fijian media has been doing their best to be bold and free and abiding by the code of ethics, these laws are making many media organisations hesitant about publishing.

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

MR. SPEAKER.- There is a Point of Order. Honourable Member, you are straying, going all over the place. Stick to the motion. We have a Point of Order.

HON. RO F. TUISAWAU.- Yes, what is your Point of Order.

HON. A.A. MAHARAJ.- Mr. Speaker, that is what I actually wanted to mention. He is all over the place and not actually speaking on the Report itself.

MR. SPEAKER.- Honourable Member, you have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker. What I was expressing was the role of the OAG in terms of good governance and transparency. Good governance and transparency involves the OAG, the whole Parliament, et cetera, Government and of course, the media. That is why I am raising it here, in terms of that partnership and the stakeholders to make the work of the OAG effective and efficient. Thank you, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to very quickly just remind honourable Members of the impact of the recommendations that were made by the Committee. The recommendations are quite telling and it gives a good background to what I was going to say and, indeed, provide a response to what the other honourable Members on the other side were talking about. It says, that:

- The OAG amend their strategic plan to ensure that its audit mandate is not disrupted due to unforeseen circumstances in events like COVID-19 pandemic.
- Proper training be developed in line with the audit training needs of the staff so they are better able to perform their performances.
- The OAG should liaise with Ministries and Departments to allow for prompt facilitation of payments on outstanding audit arrears, especially from municipal councils.
- The OAG needs to specifically identify strategies and work to improve its current PEFA rating C+. Its current rating was C+. Not B+, not A+ but C+ before the next assessment period.

- PASAI should conduct more regular reviews of the OAG in the future which will allow the OAG to be on par with international auditing standards. In other words, it was not on par.
- The OAG should consider exploring the use of technological infrastructure to assist in the conduct of online audits.
- The OAG should take note on the areas of improvement and implement improvements before the next PASAI review commences.
- The OAG should follow up with the line minister on the review of the Audit Act 1969 to modernise, to suit the current environment of doing business.
- The OAG to conduct a comprehensive exit meeting to allow Ministries and Departments to rectify pertinent audit issues before tabling of audit reports to Parliament.

The former Auditor-General refused to do exit meetings. Refused! Hardly attended any entry interviews. Refused to do that. No good auditor refuses to attend meetings, exit meetings in particular. He refused and you know, Mr. Speaker, Sir, I know for a fact he said he does not want to attend the meetings as there may be a conflict of interest. What an absolutely obtuse statement to make. A complete lack of understanding as to what an auditor does. If we check with the auditing standards with the Fiji Institute of Accountants, it tells you that you must do exit meetings. This Auditor-General, the former Auditor-General refused to do that. Mr. Speaker, Sir, the acting Auditor-General at the moment, does do that.

Mr. Speaker, Sir, the other point that I would like to make also is the lack of client engagement whereby on several occasions that I have highlighted, the Auditor-General failed to meet with the Permanent Secretaries or Government representatives to discuss the issues identified in the Auditor-General's report. Furthermore, the Auditor-General has failed to attend entry and exit audit meetings, communicating that these meetings impact the independence of OAG, what a preposterous statement to make. This highlight the poor service delivery of the OAG for the past years.

In regards to the audit engagement when performing the financial statement audits, the OAG normally combines financial audits (I hope they understand what I am talking about) and compliance audits. This is precisely the reason why the audit reports have been coming late to Parliament because what they should be doing is running them separately. At least, Parliament very quickly gets the financial audits. The compliance audits come separately, you do not do them simultaneously or indeed even one after the other.

Mr. Speaker, Sir, this is currently a two year delay in tabling of audited financial statements, we do not want to do both of them together. The effectiveness and the efficiency of OAG audits have been concerning with the way OAG focussed with the quantity of audit issues raised in the Draft Management Letter (DML) which they normally give to the ministries or the departments and say look, these are the things that we think we need to have response. They are focussed on the quantity rather than the quality of it.

The DMLs that are now being issued are on a 100 pages long, issues such as grant administration they should be included in the ministry's finance manual, underutilisation of budgeted funds, reconciliation not verified by the Head of Treasury, disclosure on service simpler items as lodged in the financial statement and disclosure of the events that occurred after the balanced date in the ministry's financial statements showed that the Office of the Auditor-General is not well versed with the ministry's Finance Manual. They do not even look at the Finance Manual and say look, these are the issues that need to be addressed in the Finance Manual and this is what used to come in the Auditor-General's Report, and the requirements of the Financial Management Act. They have not even read that it would appear and the Finance Instructions of 2010.

This is what leading to this preposterous list of items. Lack of adherence to the audit process by OAG whereby we have noted that OAG continued to send three DMLs during the financial year 2017-2018 even though the exit meeting had been concluded. So what they do, they say this is the DML so the ministry responds to that, they have done their response, after the audit has been completed then after that they send them another DML and then it turns up here. They know all these people here say, "Oh look this has not been responded to". That is what they have been doing, that is a deliberate attempt to try and undermine those respective ministries and departments.

No independent, no professional organisations or person would actually do that. You have to come with clean hands. If you are an independent body and have been tasked to do this, you go and do your job. No one is stopping you, do not pull out these under hand tactics, you lose your credibility and that is precisely what happened. They do not talk about that.

Mr. Speaker, Sir, the Ministry of Economy, for example, was not given the opportunity to discuss on additional issues highlighted in the subsequent DMLs. These issues were subsequently raised in the final management letter in the Auditor-General's Report to Parliament. Lack of consultation with the clients on the changes made to the reporting guidelines to Parliament. The Office of the Auditor-General released a new reporting guideline effective from 1<sup>st</sup> April, 2021.

However, there was no consultation carried out by the Office of the Auditor-General to understand the client's difficulties and foreseeable scenarios that may limit the client's ability to adhere to the required changes. The Office of the Auditor-General lacks technical and specialised expertise, for example, in carrying out audits in fields such as climate change and Sustainable Development Goals (SDG), yet within nine months of it being announced, deploys of valuable resources for these specific purpose.

The SDG have been announced within nine months, they are doing an audit whether we have complied with that or not. No other part of the world will you have an Auditor-General going out and carrying out an audit whether we have complied with SDGs or not within nine months. They do not even have the expertise, given the significant audit backlogs with the Ministries, State Owned Entities and Statutory Authorities, you would have thought that the OAG with direct resources to the higher priority areas.

Carrying out performance, Mr. Speaker, Sir, the performance audit low priority areas is monitoring of implementation Sugarcane Development and Farmers Assistance Performance audit on the access for persons with disabilities to public office and public transport. The OAG knew and they complained about the Municipal Councils, other officers and Ministries but they need to know the information, the Opposition needs to know the information and the Members of the public want to know - Agriculture and all those other departments.

Sir, high yielding Ministries, high staff members, they have not been given priority but all these other areas have been given priority. That is what we were questioning and just because they are an independent office does not mean that we cannot question them. In the same way, as I said yesterday, that the Opposition can question and scrutinise the Government policy. They can do that, in the same way, we can question decisions. In the same way, for example, if we are not happy with the decisions of the Courts, we can appeal it.

The same if you are happy with the decisions of the Office of the Director of Public Prosecutions (DPP) we can appeal it. Mr. Speaker, Sir, the OAG has never communicated. In the five years as the former Auditor-General, never communicated a strategy or indicated his intention on how he intends to address the significant backlog of audits that currently exists. They do not



appreciate the fact that today, before the Auditor-General's budget, we used to seat with the Ministry of Finance. If you pick up your Budget Estimates, you would see that there are one line item. The Judiciary has one line item and all the independent offices have one line item. What does that mean?

We do not tell the Parliament on how to spend their money, they come and make submissions on the Budget and they go off and they do their own thing. They have their own procurement procedures and they have now also, Mr. Speaker, Sir, moved away from Financial Management Information System (FMIS). The Auditor-General has moved away from FMIS. He wants to go and buy 25 cars, he can buy 25 cars, you want to buy 25 bicycles, and you can do that. It is his choice and that is why they have a one line item which they do not come and actually tell this Parliament. They are not coming into the Parliament with these clean hands.

Mr. Speaker, Sir, the Ministry of Economy had to initiate discussions on this and it has provided options as to alternatives ways to proceed because of the backlog. They can give it out to the different private companies. Honourable Radrodro, on that note, if the matter is not being held up by the Solicitor-General's Office, the Fiji Institute of Accountant and Solicitor-General's Office I know, as far as two days ago, were trying to finalise the regulations if we put in place. The regulations does not have to come to the Parliament.

Once it is finalised, then it would be put in place, Mr. Speaker, Sir. Again, there are other options such as allowing state owned entities to pay for outsource audits by the OAG have been rejected. We have said get these entities to pay for it. They are independent auditors and they adhered to international standards, get them to do it. The OAG have never come to us and say, "Can you give us \$1,000,000 more because we want to outsource audit?" No! If they did, we would have given it to them. We cannot tell them, "Here is \$1,000,000 you can go and outsource it." It is up to them to tell us. They had all these options to do that but they did not.

Mr. Speaker, Sir, the other point that I wanted to raise was just in responses of the issues that were raised previously. They have gone on about the position of OAG and that it should have been renewed. I did not hear them saying anything when we actually advertised the position of the Commissioner of Police after five years, or when we advertised the Commander of the RFMF, Commissioner of Corrections, the Governor of RBF and the Supervisor of Elections.

Every single person appointed by the COC, their positions are advertised after the five-year term. They want special rules for the Auditor-General but no special rules for anybody else. This is the contradiction - they shoot themselves in the foot.

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, yes, when anyone steps out of their mandate, we have the right to question. It is not question about attacking, it is a question of maintaining the integrity.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we have the ability to question, in the same way they have the ability to question anyone else, it is not just Parliament, anyone can be questioned. We have decisions that are questioned by the Judiciary, by lawyers - it is not done by Parliament. We have questions of the DPP, it is not done by Parliament.

HON. MEMBER.- That is another process.

HON. A. SAYED-KHAIYUM.- FICAC - people have raised questions about that. NGOs have made comments about the Police. They have raised issues about the Commander of the RFMF, they have raised issues about the Commissioner of Corrections, where were you then? Do not be hypocritical. This is double standards and he is saying "Parliament, Parliament, Parliament."

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- These independent institutions can be, but this is the problem of someone who is subservient to a person who carried out the first *coup* in this country, and who undermined the institution of the State, that is his problem.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the amount of rape and pillage on the institutions after 1987, you should know what happened. How the institutions were completely undermined and he does not talk about that. Mr. Speaker, Sir, he left a legacy.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- Why don't you talk about your decision from 2006?

HON. A. SAYED-KHAIYUM.- Please! You lost your credibility my friend.

Mr. Speaker, Sir, honourable Gavoka said that I threatened all the other political parties. All I did was simply read out the provisions in the Financial Management (Amendment) Act passed by this Parliament. All I did was read, and I am going to read it again:

"If:

- a) a political party;
- b) a candidate for election to Parliament; or
- c) any other person representing or acting under the direction of, the political party or candidate, makes a 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 -
  - i. how revenue for the financial commitment is to be raised;
  - ii. how expenditure for the financial commitment is to be made;
  - iii. how expenditure is to be allocated to different sectors and budget sector agencies; and
  - iv. if expenditure exceeds revenue, how the deficit is to be financed."

Mr. Speaker, Sir, it is very simple. All we are saying is if you are going to go out to members of the public, to the young people and promise them all free university education and say we will give you nice new homes for free, you have to tell them where you are going to get the money from. You may turn around and say “look it is going to cost us \$100 million a year, that means I am going to cut off \$50 million from FRA, \$15 million from Water Authority of Fiji” - that is fine, that is how you are doing it.

Yesterday, we released the figures as to what the economic position in Fiji is; what is the financial position in Fiji, what is the debt level in Fiji, what is the growth prospects in Fiji and from that you can make your extrapolation. They are saying to who, who governs political parties, you have lawyers, be bright, use your brains.

Mr. Speaker, Sir, and say, who we are going to report this to?

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- The comments they made are so inane.

Mr. Speaker, Sir, they continuously come to Parliament and spread misinformation. The Commission of Inquiry, of course, is going to give its report and we will see whether the Independent Commission of Inquiry does say. All in all, we all agree that the standard of auditing process in Fiji, the efficacy and the efficiency with which they must operate, must significantly improve.

The independence of the Office of the Auditor-General is guaranteed in the Constitution of the Republic of Fiji. You have the Audit Act of 1969 and all of these provisions clearly state the laws that pertained to the Office of the Auditor-General, how they should conduct their affairs and indeed how they should be left to independently do so. But that does not mean, nor does it negate the ability to have international standards apply to these independent institutions; that is all we are saying. That is what this report is saying and it is saying how we can improve that, Mr. Speaker, Sir.

MR. SPEAKER.- I now give the floor to the Chairperson of the Standing Committee on Public Accounts to speak in reply.

HON. A.A. MAHARAJ.- Mr. Speaker, I would like to thank all honourable Members who have contributed to the debate.

Before me, I have this Supreme Audit Institution Performance Measurement Framework Report and a lot has been said about independence. However, this independent assessment actually said on page 24 that the independence of OAG is categorised as 3 out of 4 and the only reason they have been pegged it at ‘3’ and not ‘4’ is because of the Audit Act 1969 which is under review. Once it is reviewed, amendments are passed by Parliament, it will be rated ‘4’. So, independence is there and this was an independent assessment carried out by the Pacific Association of Supreme Audit Institutions (PASAI) that we were talking about.

Also, Sir, with regard to the backlog, whenever we ask the Auditor-General about the backlog, they only criticise Government Ministries and agencies for not providing information on time. But the assessment, again, says under SAI-7 Overall Audit Planning, was scored at 1 out of 4. That means they had poor planning and that is why there was a backlog of audit that has not been presented to Parliament at this stage.

With those words, Mr. Speaker, Sir, I would like to thank all honourable Members who have contributed positively and hope that the OAG takes our recommendations into consideration in improving their services.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, on that note, we will take a break for morning tea. But I remind the pigeon shooter in Parliament that the pigeon shooting season is mid-May to mid-June, and it is not mid-May yet. We adjourn.

The Parliament adjourned at 11.08 a.m.

The Parliament resumed at 11.40 a.m.

**CONSOLIDATED REVIEW REPORT –  
2018-2019 AUDIT REPORT ON GCCs, CSAs AND OTHER ENTITIES  
AND 2018-2019 AUDIT REPORT ON STATUTORY AUTHORITIES**

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

That Parliament debates the Review of Government Commercial Companies, Commercial Statutory Authorities and Other Entities 2018-2019 Audit Report and the Consolidated Report on Statutory Authorities 2018-2019 Audit Report, which was tabled on 10<sup>th</sup> February, 2022.

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

MR. SPEAKER.- I now invite the Chairman of the Standing Committee on Public Accounts to speak on his motion.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the honourable Prime Minister, honourable Leader of Opposition, honourable Ministers and honourable Members of Parliament; as Chairman of the Standing Committee on Public Accounts, I take this opportunity to speak on the motion on the review of Government Commercial Companies (GCCs), Commercial Statutory Authorities (CSAs) and Other Entities and the 2018-2019 Audit Report on Statutory Authorities (Consolidated Report) which was tabled on 10<sup>th</sup> February, 2022.

Mr. Speaker, Sir, this Consolidated Report provides the Committee's review findings on the two audit reports. The OAG established under the Constitution, and the powers of Auditor-General is specified in the Audit Act. The Committee reviewed the audit findings of the seven entities in the Government Commercial Companies, Commercial Statutory Authorities and Other Entities Report and 11 entities were covered under the Commercial Statutory Authority Report.

The OAG had issued eight audit opinions for Government Commercial Companies, Commercial Statutory Authorities and Other Entities in which five were related to 2019 Financial Statements, while three were backlog of various entities.

Mr. Speaker, Sir, there was one modified opinion issued for the 2019 Financial Statement and two financial statements in the backlog for the various entities were issued with modified audit opinion as well. The Auditor-General had issued an unmodified audit opinion on four of the 2019 Financial Statements that were audited for the various entities. One of the financial statements in the backlog for the various entities, was issued with an unmodified audit opinion.

Mr. Speaker, Sir, the financial statement of most entities audited for 2019, were timely and of good quality. However, further improvements can be made to enhance the quality and timeliness of submission of the financial statements for OAG's audit. The Auditor-General had issued 11 audit opinions for statutory authorities out of which, three were related to 2016 Financial Statement, one related to 2017 Financial Statement, four related to 2018 Financial Statements and three were related to 2019 Financial Statement for the various entities.

The Committee noted a few significant matters from the Statutory Authority Report which required necessary action from the relevant entities. These included:

- addressing significant delays in submission of draft financial statement for audit;
- improving risk assessment processes to achieve Authorities objective and forming a clear basis for determining how risks are managed; and
- improving overall monitoring of the entities including the establishment of independent internal audit functions which would assist in identifying any gaps in control.

It is important to note that some of the entities have resolved the audit issues that were raised during the time of audit, while some are working towards resolving these control issues. The Committee strongly recommends that immediate action is required by the respective entities in order to improve financial accountability. It is also important to note that most of the entities are working towards achieving their contributions towards Fiji's 5-Year and 20-Year National Development Plan in line with the relevant SDG targets.

Mr. Speaker, Sir, the Committee had conducted a thorough review in the two audit reports and also sought clarification from the 17 entities on the audit issues that were raised. Given the audit findings and the responses received, the Committee recommends that the relevant entities listed in the two audit reports take note of the Committee's recommendations highlighted and ensure its timely implementation. The Committee recommends that:

1. That the Fiji Broadcasting Corporation Private Limited to explore other revenue options. Currently they are on a very prime real estate and they had plans to expand the building to gain rental revenue.
2. Fiji Public Trustee Corporation Limited should continue to decentralise its operation throughout Fiji to allow for ease of accessibility from the general public.
3. A special audit be conducted on the operations of Fiji Hardwood Corporation Private Limited. The line ministry to conduct internal audit and should report to the line Minister.
4. Fiji Servicemen's Aftercare Fund to follow OMRS principles and strictly comply with.
5. A special audit to be conducted on the operations and finances of Sugar Industry Tribunal given that the gravity and high number of anomalies noted by the Auditor-General. Again the Committee recommends that the internal audit from the Ministry of Economy should conduct this audit.
6. The Committee notes with concern the delay in the presentation of audited financial statements of Sugar Industry Tribunal and strongly recommends that the Tribunal should prioritise on bringing its audited financial accounts up to-date with immediate effect.

Mr. Speaker, Sir, the Committee acknowledges the commitment made by the entities to resolve the anomalies and those significant matters that were identified during the audit and measures that were put in place to ensure that they are addressed in a timely manner and are not repeated in future.

Mr. Speaker, Sir, with those words, as the Member moving the motion, I thank you for the opportunity.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, I will just touch very briefly on Fiji Hardwood Corporation Limited. It says here, Mr. Speaker, that the company recorded plantation forest crop amounting to \$213,320,000 320 as at December 2017. I just ask if this could be clarified and to be verified because other commentators are saying that the total plantation in this country is in the tune of \$5 billion. This is what is believed to be there and as we know that we are always known to have the biggest talk of mature mahogany in the world. So I am a little dismayed when I see this figure that is only \$213 million in total, the plantation.

I wonder if the Government would take the opportunity to verify this and reconcile what is out there in the market place where people say that the value of the plantation is in the tune of \$5 billion. Of course, as originally intended, times would come when this plantation should be returned to the landowners and I believe the time is here now. We hear that the debts have been paid off and we believe the time is now ripe for these plantations to be restored to the landowners.

While continuing to work with the professional organisations to harvest and process mahogany products to benefit the country, the landowners and everyone, I have always said that we can always setup manufacturing plants in Fiji and make Fiji mahogany a world product to be exported worldwide as we have this supply of raw materials.

Mr. Speaker, Sir, I also wish to touch briefly on the Accident Compensation Commission of Fiji in the seven months that it was established. It has Assets of \$397,000 almost \$400,000 that was in seven months. I believe it is now in the millions and I just bring this up Mr. Speaker, Sir, because in the Economic Affairs Committee which I was part of for some years, when we used to scrutinise the Report of the Fiji Insurance Industry through the Reserve Bank of Fiji (RBF), we were always concerned about the insurance on vehicles.

We know that in some countries a vehicle cannot be running on the road without insurance and we had recommended at one point that it should be made compulsory in Fiji that when you buy a vehicle you must secure/acquire insurance for it because Mr. Speaker, Sir, as a driver (we all drive vehicles) we will all feel more safer and more confident when we know that the other car is also insured.

If anything happens, immediately you are covered. Today, not everyone carries insurance for their cars and I believe that we have done this now. There used to be a third-party, we have now taken it away from the private companies and it is now government driven and it appears to be working well. So, I think we should look at ways Mr. Speaker, Sir, to ensure that every vehicle on the road in Fiji is insured.

You go and buy an expensive car, say you buy \$100,000 car, you are driving on the road a car valued at \$5,000 can damage your car and he has no way that he can meet the repayment to repair your car - that is the reality of life in Fiji, it happened to me. I have got an expensive car at that time and it got hit by a very old taxi and he could not pay for the repair and I was not carrying insurance at that time so I have learnt that I should carry insurance. So it should be made compulsory.

The roads that we have in Fiji, the types of drivers that we have, I suggest that we look at this in the way that we have setup the Accident Compensation Commission Fiji (ACCF) 2017. Those are my contribution Mr. Speaker, Sir.

HON. RO T.V. KEPÄ.- Thank you Mr. Speaker, Sir. Part A of the Report in dealing with 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and other Entities contain financial audits of seven entities for which the OAG had issued eight audit opinions.

Five out of these eight audit opinions were related to the 2019 Financial Statements, two were of backlog audits of various entities. There was one modified opinion for the 2019 Financial Statements and two financial statements had the backlog for the various entities were issued with a modified opinion.

The OAG had issued an unmodified audit opinion on four of the 2019 Financial Statements

that were audited for the various entities with one of the Financial Statements and the backlogs being issued with an unmodified audit opinion.

Mr. Speaker, Sir, I mentioned all that because what should be of some concern to us is that six out of these Financial Statements that were given, six or 86 percent of those entities are not subject to audit by the OAG. Therefore their Financial Statements may not be according to international best practices or to the standard that they need to achieve particularly since they are funded by taxpayers.

The Office of the Auditor-General, Mr. Speaker, Sir, reported that the financial statements of most of these audited entities were timely and generally of good quality however there is room for improvement to enhance the quality and timeliness of submission of financial statements for the Office of the Auditor-General.

Part B: Mr. Speaker, this part deals with the 2018/2019 Audit Reports on statutory authorities which covered 11 entities for which the Office of the Auditor-General issued 11 audit opinions.

For 2016 financial statements there were three audit opinions. In 2017 one audit opinion. In 2018 four audit opinions and for 2019 three audit opinions.

For audits on the 2016 financial year the Office of the Auditor-General however issued a disclaimer of opinion on three of the financial statements audited.

For the 2017 financial year his office issued an unmodified opinion on one financial statement and for 2018 one was issued with a modified opinion while three were issued with unmodified opinions.

For the 2019 financial year the Office of the Auditor-General issued an unmodified opinion on all three financial statements of the various entities that were audited.

On these 11 entities, the Auditor-General has highlighted that control and non-compliance issues were categorised from medium to high risk. These weaknesses that were from medium to high risk were of fundamental importance to the statutory authority and the office noted that it required immediate attention although this report is three years old, Mr. Speaker. Those charged with governance in these statutory authorities together with oversight from their line Ministry must take note and apply urgent necessary action.

Additionally, the Audit Report also highlighted other areas that required immediate management action for resolution on these issues which were addressing significant delays in submission of draft financial statements for audit, improving risk assessment processes to achieve authorities' objectives to form a clear basis for determining how risks are managed and improving overall monitoring of the entities including the establishment of independent, internal audit functions to assist in identifying any gaps and controls.

In view of the above, Mr. Speaker, scrutiny by the Public Accounts Committee is key in reviewing the findings and recommendations of the Office of the Auditor-General reports to Parliament is crucial to ensure that governance and compliance to international best practices are adhered to and therefore, there must be accountability to Parliament and Government for the funding provided.

Again, Mr. Speaker, what should be of concern to all of us is that under the current legislative framework auditing of entities for which the Office of the Auditor-General is not the external auditor



is not reported to Parliament which means Parliament by virtue of the fact that they approve of these entities' budget but not holding them accountable is not being responsible in my view, especially in this post COVID world. These entities must be given the opportunity to be accountable to the taxpayers' hard-earned money which is not followed up on.

Mr. Speaker, I agree with the Committee's Recommendations:

- That FBC explores other revenue options such as investing in a state development and concurring with the Office of the Auditor-General recommendation; and
- That the management of FBC reviews the accrual and determine whether it was appropriate to continue the accrual as a liability.

With Recommendation No. 2, Mr. Speaker, Sir, I agree that the Fiji Public Trustee Corporation Limited should continue to decentralise its operations throughout Fiji to give people in the urban, rural and remote areas an opportunity to be accessible to their services.

For Recommendation No. 3, Mr. Speaker, I agree that a follow-up audit be conducted on the operations of Fiji Hardwood Corporation Limited, they really need a lot of help, according to this OAG Report. Sir, very lose control, issues with inadequate cash flow, both the financing facilities which are the FNPF and FDB are under stress with repayment arrears and penalty interest charged on both accounts. They are noted here, poor recording of stock movement, did not record the number of logs moving in and out of the yard leaving them open to theft and pilferage.

During this audit, Mr. Speaker, it was noted that the mahogany that was harvested in 2017 and 2018 had not been replanted to maintain the sustainability of the mahogany plantation as required under the licencing arrangement under the Mahogany Act 2010. On the date of audit opinion, Mr. Speaker, which was 22<sup>nd</sup> July, 2020 - approximately 5,000 one-year-old mahogany plants, the estimated value was \$500,000, were ready for planting.

However, due to constraints with cash flow, it is stated here that the company could not carry out the reforestation process of mahogany plants. So, that was wasted, Mr. Speaker. So, the recommendation with a follow-up audit to be conducted on the operations of FHCL, the potential to be a multimillion-dollar industry but may be according to honourable Gavoka, a billion-dollar industry is a timely one, the recommendation and they just need to drastically overhaul the whole operations.

Lastly, Mr. Speaker, Sir, on the recommendation for the Fiji Servicemen's Aftercare Fund which is a fund financially assisting so many people who have served our country and their families. However, internal controls and proper maintenance of beneficiary records and proper preparation and checking of salaries and cash at bank reconciliations were generally, Mr. Speaker, found to be very weak. Double payments to beneficiaries, according to the Report. Overpayments, unauthorised deposit of allowances into third party bank accounts just added to the problem.

There are so many issues, Mr. Speaker. Therefore, PAC's recommendation to resolve the many unresolved matters states that the Fund does not have an established governance and accountability function to drive the Risk Management Framework, besides also recommending that the Fiji Servicemen's Aftercare Fund is to follow the OMRS principle and strictly comply with it. I support the motion.

HON. J.V. BAINIMARAMA.- Mr. Speaker, I rise to make a contribution to this debate. Firstly, I convey my appreciation to the Committee and the Chairman for thoroughly scrutinising the

Report. I just would like to emphasise on the two entities that fall under my ambit portfolio – the Sugar Industry Tribunal and the Centre for Appropriate Technology and Development (CATD) in Tailevu.

In the Sugar Industry Tribunal's 2016 Financial Statements, some of the key findings from the audit of the Tribunal included the absence of a strategic plan, the disaster recovery plan, risk management policy, human resources policy, IT security policy, environmental controls and code of conduct.

The OAG, Mr. Speaker, also raised that the Sugar Industry Tribunal had not submitted Financial Statements from 2017 to 2019. I am pleased to report, Mr. Speaker, that in this august House, that Financial Statements from 2017 to 2020 were submitted to the OAG and it is my understanding that the audit is currently underway. Other issues such as the strategic and business plans and various policies have been progressively completed and will be submitted to the OAG.

On the issue of non-existence of a service-level agreement, Mr. Speaker, regarding the outsourcing of the IT function of the Fiji Sugar Corporation, the Sugar Industry Tribunal has recently finalised a draft service-level agreement to safeguard and protect the interests of the Tribunal.

Mr. Speaker, Sir, on the Centre for Appropriate Technology and Development (CATD) at Nadave, there were various audit concerns raised which have been addressed by CATD. The Centre is ensured that policies for registration and timeline for payment of fees are developed to guide the recognition of revenue and receivables and that invoices are issued in sequence to all students upon completion of registration and of course, retained for records and audit verification.

On the anomalies in the VAT receivables which highlighted the variance of \$158,421 between the VAT receivables balance as per the general ledger and the assessments as per the statement of VAT account, the Centre has liaised with Fiji Revenue Customs Services (FRCS) to rectify the variance.

HON. A.M. RADRODRO.- I rise as a Member of the Public Accounts Committee to make a brief contribution on this motion which is the Review of the Consolidated Accounts for Government Commercial Companies, Commercial Statutory Authorities and other Entities on the 2018-2019 Audit Report.

Mr. Speaker, Sir, let me just start by saying that the entities that are reported in this report are reported on different financial periods. Some are reported in 2019, some are reported in 2018 and some are even reported in 2017. So when these reports are prepared and have been late in their submission, a lot of missed opportunity can be said to have been bypass by these entities. The shareholders also, in this case the Government and potential investors of the entity being reported here.

Mr. Speaker, Sir, we commend Energy Fiji Limited (EFL) and Fiji Development Bank (FDB) for being on time as usual with their reporting to Parliament. Maybe the honourable Minister for Economy can inform this august House when Energy Fiji Limited have been compliant with its reporting requirements, why did he want to change its audit from the Office of the Auditor-General to now a private entity. Maybe, this should be the perfect opportunity for the honourable Minister to inform Parliament because as it is, they are already in strict compliant to the requirements of the Auditor-General.

Mr. Speaker, Sir, we cannot overlook the continue delays in the submission of the audit

reports by these entities which the Office of the Auditor-General has highlighted, to have been due to delay submissions in draft financial accounts or incomplete draft financial accounts being submitted to the Auditor-General. Entities deciding to address issues raised in draft audit reports and re-submission of financial statements for audit and financial statements not submitted at all for audit purposes, despite several reminders from the Office of the Auditor-General.

I would like to say that on the recommendations of the Public Accounts Committee in number one, I would like to state that probably the secretariat of the Committee could perhaps, confirm whether this recommendation was made in terms of real estate development because I would like to enquire what this recommendation has in terms of core business or in relation to the Fiji Broadcasting Commission (FBC).

The other recommendation, Mr. Speaker, Sir, I would like to implore the line Ministers to take corrective measures and take on board the Auditor-General and the Committee's recommendations so that they improve in their reporting timeline.

The other recommendation has already been alluded by honourable Members on this side of the House, Sir. Perhaps, a follow-up audit needs to be undertaken on a timely basis so that information can be discussed in a timely manner in this august House.

Mr. Speaker, Sir, given the importance of addressing issues of audit as and when they arise and reiterate, my call for the OAG is for them to continue to be the ears and eyes, not only of the Government but our people with respect to good governance and compliance to service delivery requirements.

To end my brief contribution, I would like to take this opportunity to thank our civil servants and members of the Government Commercial Companies, Commercial Statutory Authorities and other entities who have participated in the facilitation of the information in the OAG Report. The work of these Officials carried out on behalf of the Government and our people is notably a mammoth task.

Whilst there would be continuous guidance from this august House for the improvement in their service delivery and their compliance to good governance principle, they must be acknowledged for the big role that they play in advancing the common interest of our people, of our nation and our related stakeholder. Thank you very much.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I want to highlight only a few matters in this Report of the Auditor-General because many of the key issues about the accountability of these Government companies and the other bodies actually require closer analysis that we can talk about in this august House. The question is, what is the big picture on the accountability of these Government entities?

Well, Mr. Speaker, Sir, it is actually right there in the Executive Summary of the Auditor-General's Report and as of 31<sup>st</sup> July, 2020, seven of these government entities had their audits up-to-date but 15 of those entities did not. In order words, Sir, only one-third of Government entities are properly and financially accountable and two-thirds of them are not.

Mr. Speaker, Sir, what does the Auditor-General summary say? It is right there in black and white and I want to quote. It says the following, "Audit of 13 Government commercial companies, one Commercial statutory authority and one recognised entity were delayed. The delay in the audit is primarily due to the following:

1. Delay in submission of draft accounts for audits or draft accounts submitted were incomplete;
2. Entities deciding to address issues raised in the draft audit reports and the resubmission of financial statements of audit; and
3. Financial statements not submitted for Audit at all, despite the reminders.

Mr. Speaker, Sir, what this tells us is that, the state of the Government accountability is lurking. The non-compliant entities do not appear to understand how to be accountable or why they are accountable or unaccountable. First of all, Mr. Speaker, Sir, is the point that preparing timely annual accounts is important to the entity itself and understanding your financial position as you go is critical for decision making for the future.

The work of the Auditor-General is important because they impose an independent reality check on the accounts. That is the idea. No private sector business would wait for months, two or three years for the audited account to be presented. They know that if it is delayed by then, the information they contain is actually useless. Everything has moved on but these Government entities do not seem to understand this.

This is not just about accountability to the taxpayers, Mr. Speaker, Sir, this is about ensuring that they actually understand their own strategic position or direction; the same way as the private sector business would do in the world. The whole point about these Government entities being separate from Government, having their own boards and their own management is that, they operate in the way private sector companies do, so they can be efficient and make the best use of public funds. But they cannot do that when they do not even know their own financial state and understanding your accounts three years after the balance date means you do not know where you are going - it is pretty clear.

Mr. Speaker, Sir, look at the shocking state of these audits - Viti Corporation is still auditing accounts for 2008 to 2011; the Yaqara Pastoral Corporation is still finalising accounts for 2016 and 2017; Food Processors Fiji is still auditing accounts for 2009 to 2013; Fiji Hardwood Corporation is still doing its 2017 accounts. Mr. Speaker, Sir, this one is particularly shocking because the Auditor-General later in his report says "that FHCL cannot continue as a going concern" (that is serious) in other words he is saying that FHCL is heading for bankruptcy.

That is what the Auditor-General is saying, Mr. Speaker, Sir. It is in the report. Why is this particularly concerning? Because we are talking about a plantation or forest of mahogany worth about \$200 million. That is why it is important. This should be providing Fiji with a whole new industry of timber exports and value added products. Instead it drifts in the doldrums without strategic direction. This Government has had 15 years to fix it and they are saying that the Auditor-General is wrong and as usual nothing has been done. The report is quite glaring, I would say from the Auditor-General to actually point that out, but we go on, Mr. Speaker, Sir.

Housing Authority is still trying to finalise its 2018 accounts. Here we have a body that is critically important for putting Fiji citizens into their own homes - thousands of families ...

HON. A. SAYED-KHAIYUM.- Fijian citizens; how about you say Fijian.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, it is a useless interjection from ....

HON. A. SAYED-KHAIYUM.- Not useless.

MR. SPEAKER.- Order!

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- Sometimes, Mr. Speaker, Sir, I think the noise coming from the other side is like chickens about to lay eggs.

(Laughter)

And it cannot even get its accounts right from four years ago. They go around the country and they have been saying this in the last two elections. One Minister went around the country before the 2018 Election and said “put numbers on the houses” and people are still waiting for leases and relocations.

HON. A. SAYED-KHAIYUM.- That is your problem.

HON. PROF. B.C. PRASAD.- It is not my problem, it should be your problem because that is what you have been promising.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.-Mr. Speaker, Sir, this is what this Government has been promising.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Housing Authority is still trying to finalise its accounts. And finally, Mr. Speaker, Sir, famous...

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- ...or should I say famous *Walesi*. We have talked about *Walesi* before, Mr. Speaker, Sir, all the big talk, all the social media post about bringing Fiji into the digital age. But what has it cost? And how has this money been spent? Remember, Mr. Speaker, Sir, this is the company that all television stations are forced by the Government to use their transmissions (they were actually forced). This company has had more than \$50 million in taxpayers' money. But since it started in 2015 we have seen no accounts, where is the accountability?

HON. MEMBER.- Who wrote that?

HON. PROF. B.C. PRASAD.- We have been told that the accounts up to 2017 would be released soon but, Mr. Speaker, nothing. What is *Walesi* doing? Why can it not be transparent? These are legitimate questions, Mr. Speaker. Why can it not tell us how it has spent the money? I mean, simple. That is what they do not understand, Mr. Speaker.

We all remember the public fight, Mr. Speaker, between *Walesi* and the Auditor-General, it is out there. *Walesi* tried to blame the Auditor-General on why its accounts were not finalised. I

mean, you are the entity, you are the company, and you blame the Auditor-General why your accounts were not finalised? The next thing we know, Mr. Speaker, after all that public debate that we are going to have a commission of inquiry into the Auditor-General, and the rest is history. The Auditor-General has left.

I will just raise one more point coming from this Report, Mr. Speaker, and this concerns the disorganised approach of Energy Fiji Limited (EFL) to rural electrification which has been highlighted by the Auditor-General. Specifically, the Auditor-General's Report said that the Government gave nearly \$29 million in grants to EFL for rural electrification in 2019. It is not clear from the Report what year these grants are meant to cover.

The Report notes, Mr. Speaker, that EFL was able to commission less than \$100,000 worth of rural electrification over the years 2000 and 2019. This is what the Auditor-General says, and that is a shocking figure, Mr. Speaker, Sir. What is happening to rural electrification? Why is it not a priority?

We, the people of Fiji, are supposed to have our own electricity company. This company, Mr. Speaker, should operate at a profit – supply power reliably but also, develop power supplies where it is needed, such as in the rural areas. Instead, Mr. Speaker, what has happened, Government has sold off 44 percent of EFL to a Japanese investor because it needed money. I mean, \$400 million, \$200 million of that went back to FNPF and \$200 million went to Government. Now, EFL is focussed on profits, so it can pay dividends. What that means, Mr. Speaker, is that EFL will begin to lose focus on its social responsibilities - the services that the people need.

The last point I want to make, Mr. Speaker, this is a report by the IFC and it says this about the profitability of SOEs and I want to quote this:

“According to a 2019 sector assessment conducted by the Asian Development Bank (ADB), the contribution of SOEs to Fiji's GDP in 2019 was only 4 percent, while they control an estimated 12-17 percent of the country's economic assets. Not surprisingly, the financial performance of Fiji's SOEs has historically been below the government's expectations, and they generally continue to be. The profitability of Fiji's SOEs has improved noticeably from a return on equity (ROE) of -0.2 percent and a return on assets (ROA) of 0.0 percent in 2002-2010 to a ROE of 9.9 percent and a ROA of 4.3 percent in 2015-2018. However, this performance improvement is largely due to increased profitability of a few SOEs (e.g., Energy Fiji Limited, Fiji Airways, Fiji Development Bank, Fiji Airports Limited). The performance of most other SOEs (e.g., Fiji Sugar Corporation) remains remarkably low.”

That was observed by the Report.

Mr. Speaker, in conclusion, what I want to say is, the lack of availability of financial reports of two-thirds of the entities that were covered by the Auditor-General, and the link to the profitability and the contribution of these entities to the overall GDP, Mr. Speaker, remains low. So, this Government's claim is actually quite hollow that over the last so many years, they have reformed the SOEs and that we are on a trajectory to creating a much better contribution to GDP and increasing the profitability or the returns from equity and assets.

Mr. Speaker, Sir, it is very important that the OAG is supported, aided and it is the responsibility of the Government and the Ministers responsible for those entities, to ensure that financial statements are provided on a timely basis so that the Auditor-General can have a look and

we, in Parliament, are able to scrutinise those - then only can we look forward to a better contribution of SOEs to our GDP to the overall economy and the impact that it should have, not just on the GDP, but on creating employment and providing the services that people need in this country.

MR. SPEAKER.- Honourable Members, I still have the following speakers: honourable Parveen Bala, honourable Mitieli Bulanauca, honourable Simione Rasova, honourable Jese Saukuru, honourable Mikaele Leawere and the honourable Attorney-General before the right of reply.

On that note as the hour goes by, we will take lunch break and resume at 2.30 p.m.

The Parliament adjourned at 12.26 p.m.

The Parliament resumed at 2.36 p.m.

MR. SPEAKER.- We will continue with the agenda item.

HON. P.K. BALA.- Mr. Speaker, Sir, I wish to make a brief contribution on the Fiji National Sports Commission and the Fiji Sports Council's Report 2018/2019. At the outset, it looks like that the former Auditor-General loved his headlines in the newspaper and I am aware of many cases where despite providing all information, he went on to highlight things that were not true. One such case, Mr. Speaker, Sir, was the new Rakiraki Municipal Market and I will leave it at that and only time will tell.

Before I move to deliberate on the report proper, allow me to briefly sum up the Commission and this annual report within great sporting achievements that have brought fame and glory to Fiji in the recent times. As the honourable Prime Minister highlighted in a recent address during the Annual Fiji Sports Commission's Conference on Community Sports, Mr. Speaker, Sir, sports in Fiji have taken on a turn for greater heights under the FijiFirst Government.

Mr. Speaker, Sir, let me state some facts: We have won two Olympic gold medals - Rio 2016 and Tokyo 2020, along with the great effort by the Fijiana Women for a Tokyo Olympic bronze. The Fijiana Women Sevens Team is now a world force to be reckoned with and the day is not too far from when they will match the men with World Cup Olympics, Commonwealth glory in their sights. Mr. Speaker, Sir, the list goes on in sporting achievements under the FijiFirst Government. We have won gold in the Paralympics. This goes along with competition in football in the Rio Olympics and at the Under 23 World Cup. Along with this, we have seen a rise in world class performance in sports like weightlifting.

Mr. Speaker, Sir, these achievements highlight what the honourable Prime Minister was referring to in his speech at the Conference. To add on, the Fijiana Drua Women's Side created sporting history with their win in the Super Rugby Women's Competition by beating the four-time champions. On this note, Mr. Speaker, Sir, I must clarify some recent false commentary on their return to our shores last Sunday. Some elements have jumped the gun in stating that the Fijiana Drua were not accorded the welcome they deserve upon their return. This is not true, Mr. Speaker, Sir. Unfortunately this kind of misinformation is based on a lack of fact-checking.

HON. GOVERNMENT MEMBER.- Very poor!

HON. P.K. BALA.- Mr. Speaker, Sir, the CEO of Fiji Rugby Union has confirmed to me that not only they were received by him and the senior executives at the airport, but the team and the management were given a traditional welcome in Veiseisei, followed by a church service and thanksgiving dinner.

Mr. Speaker, Sir, further programmes have been planned which will coincide with the upcoming match for the Fijian Drua men's side in Lautoka. So let me assure this House and the people of Fiji that there are no double standards in play, as some have assumed.

Mr. Speaker, Sir we will continue to ensure that the women's teams are given all the glory that they deserve as we have done in the past when we honoured returning athletes and teams, both women and men.

Mr. Speaker, Sir let me now turn to the Fiji National Sports Commission's 2018-2019 Annual Report. The Fiji National Sports Commission focuses to reconstruct the delivery of sport and



recreation in support of building an active nation that improves and enriches the lives of all Fijians.

Mr. Speaker, Sir, Sports, as we have outlined in numerous forums and in previous speeches in this august House, unifies all Fijians, and has become an important component of Fiji's economy.

Mr. Speaker, Sir, the women and men's teams have a new age approach now to a commercial setup to set up the basis of a market-based development model for sports and it is a model that the Ministry and the Fiji National Sports Commission (FNSC) will push for adoption in other sports, at the elite level especially Mr. Speaker, Sir. The trickle-down benefits from this kind of investment and market-based setup will be huge from the development of sports.

Mr. Speaker, Sir, the Fiji National Sports Commission was setup to establish higher standards of excellence in all sports delivery systems within Fiji and may I add to that Mr. Speaker, Sir, that they have played an integral role in the Fiji sporting success story. Along with the national sporting bodies and umbrella organizations like Fiji Association of Sports and National Olympic Committee (FASANOC) as well.

The Sports Commissions has continued to have a very proactive role in sports development throughout the country. Through their new development Programmes, the Train and the Trainer Programme has seen the establishment of rural and urban sports associations representing their communities. This has been made possible by conducting the community level training for members in coaching, refereeing and administration across a number of sports, thus seeing the growth in clubs many now registered with the National Sports Organizations.

I commend their efforts in upskilling of training for sports. Leaders in both urban and rural communities mean that sports people can continue to train wherever they are and everyone's talent in sports is accepted wherever they move to.

Mr. Speaker, Sir, the Commission recently celebrated 10 years since its establishment by the FijiFirst Government. This was a project that misfired and was never realized by the previous governments although talk of a national sports commission predates our independence.

In relation to the Annual Report 2018-2019, I note satisfactory responses provided by the Fiji National Sports Council (FNSC) and the Fiji Sports Council to the Standing Committee on Public Accounts on areas of concern. These include improvements and changes to policies and HR issues that were highlighted in the Annual Report. I am satisfied that moving on, the FNSC and the Fiji Sports Council will not have issues in these areas any more.

As an accountable government funded body, the FNSC and the Fiji Sports Council ensure that it has in place the mechanism and capacity to use these funds in an accountable, transparent, and sustainable manner. From the Report Mr. Speaker, Sir, and the success stories around us in sports, I am pleased to report that they can do this with a vision for the future.

Moving forward, Mr. Speaker, Sir, one of the key areas that the FNSC and the Ministry will work on is to provide the pathways in after sports for our athletes. This is an important area that we must manage well, as more and more Fijians take the elites sporting pathways.

Mr. Speaker, Sir we have seen and known from some of the stories from our sporting legends, life after sports can be tougher than life on the playing field. Therefore, we must all work together in improving the safety net we provide for our sportspeople. We will work closely with the FNSC, the national sporting bodies and international partners to develop this plan.

Mr. Speaker, Sir, all matters raised in the report for the Fiji Sports Council have been resolved. With that said, Mr. Speaker, Sir, I thank you for your time.

HON. M. BULANAUCA.- Now, I will speak on two areas – first is Fiji Hardwood Corporation Limited and second, Energy Fiji Limited.

On Fiji Hardwood Corporation Limited, there is a lack of internal control of a non-preparation of reconciliation into inventory of logs, aids receivables by the end of 2017. We are talking about the Annual Report 2017. If it is rectified by now fine but why it happened?

So it is important, Mr. Speaker, Sir, to let people do what they are supposed to do and also the fixed assets register was not properly maintained during 2017 to support the written down values and the annual board of survey to verify the movements in property, plant and equipment during the year. It is also important to hold the Board of Survey each year. We notice that in most cases the Ministry does not hold a Board of Survey.

On the independent verify and the net present value of the plantation increased by 8.37 million by 31<sup>st</sup> December, 2002. It was not practicable for the Office of the Auditor-General to determine the correct valuation of forests as at recorded in the Books of Fiji Hardwood Corporation Limited as at the end of 2017. So it is important to have an up-to-date valuation of the plantation of mahogany here in Fiji particularly when we have the best plantation here in the world.

It is very interesting to have good real assessment of the value of the stock of mahogany that we do have here in Fiji, Mr. Speaker, Sir. While we do that, because we are still asking the questions: why have the productions gone down since 2009 - from 93,000 cubic metres down to 70,000 cubic metres, 50,000 cubic metres, 30,000 cubic metres right down to 2,600 cubic metres in 2017 and then up again to 11,000 cubic metres, then 16,000 cubic metres in 2018 but all still below 20,000 cubic metres? It is far below the sustainable harvest production volume of around 80,000 cubic metres a year (less than 20,000 cubic metres is very low). Why have we stuck below \$20,000 harvest production for all these years? You can blame the COVID-19 but before 2019 no land was taken back. Be careful of your facts.

The area under mahogany is still the same from the beginning until now. No land has been taken back. You go and check. It is important, Mr. Speaker, Sir, to increase that production particularly when the sustainable production predicted is 80,000 cubic metres. That has dropped from 150,000 cubic metres down to 112,000 cubic metres then to 80,000 cubic metres. I do not know who was doing the assessment, who wants to be the expert doing the assessment but they keep on dropping until 80,000 cubic metres but 80,000 cubic metres, Mr. Speaker, Sir, still cannot be achieved by the board or by the Mahogany Industry Council or by the Fiji Hardwood Corporation who is the commercial company for Government to harvest.

In fact, under the Decree, that should only be the grower, not the harvester. So, it is important, Mr. Speaker, Sir, to have a real value of the mahogany plantations as we have here in Fiji. However, it is important that we need to revert this to the landowners themselves, just as for pine. It is good that now we have a profitable Fiji Pine Limited but that was planned from previous Governments, only for FijiFirst Party to reap the benefits now, having profits.

It is important, Mr. Speaker, Sir, to do that similar thing with mahogany. Let the landowners own that industry or business but it is important. We are going to do it after this Election. It is important to ensure that the industry or the business is owned by Fiji pine landowners or the mahogany landowners. Let the experts run it, just as we have the similar principle with Fijian

Holdings. Let the experts run it. That is what we have to do, but we have not done it. After Election this year, we are going to do it.

Another capital structure for Fiji Pine Commission by 2025. We will make sure that by 2025, the industry or business is under the pine landowners. Also, for our mahogany landowners, Mr. Speaker, Sir, it is important that we do the same, but we must make sure that it becomes profitable. At the moment, we do not know whether it is profitable or not. Although we know that they have paid off the Government guaranteed debt of \$26 million, but we do not have any report here to see their profitability over the years.

It is also important to ask the question, where has the Sustainable Mahogany Industry (SMI) gone to? This was one of the biggest buyers of Grades 1 and 2 mahogany in Fiji. The guitar – the honourable Prime Minister was holding a guitar at that time, now where is it? It is gone. Why have they left Fiji? These are the questions that we need answers to. Why has the Mahogany Industry Council or Fiji Hardwood Corporation Limited (FHCL) replaced a big buyer like that, to continue the production and harvesting of mahogany in Fiji? Those are the questions that they need to answer and we are going to answer that after the Election, Mr. Speaker, Sir.

Performance is very important, Mr. Speaker, Sir, not to keep going down or below 20,000 cubic metres, we need to increase it. It is amazing, Mr. Speaker, Sir. Also on pricing, how is the pricing being pegged? Not many people are buying mahogany logs because they are too expensive. They are very expensive. It is important to review that, Mr. Speaker, Sir. We had brought in a Parliamentary petition to inquire into all these but it was not allowed. It is important to dig deeply into the operations of FHCL and the Mahogany Industry Council in order to improve the harvest and the performance in the future.

Mr. Speaker, our main concern is to improve because the more we improve, the better it is for everyone else and the nation and in particular, the landowners themselves. We must ensure that the maximum benefits go right to the landowners themselves. Where is the timber sales proceeds, under the Act, that was supposed to be paid to the landowners? Up to now, no single cent has been paid for the timber sales proceeds. No single cent has been paid! The Government guarantee of \$26 million has been paid, which is alright, but what about the timber sales proceeds? Nothing to date, Mr. Speaker, Sir.

The stumpage, as we can read here, we do not know where they paid the stumpage amounting to \$15,200 to because their trade payables documents were not there. It is important to increase production so that we can also increase the stumpage that goes to the landowners and it is only proper to keep good records to actually identify what stumpage goes to which *mataqali* or landowning unit.

It is important, Mr. Speaker, Sir, to have a good look at the FHCL's operations and the Mahogany Industry Council because we have the Chairman here, the honourable Prime Minister himself, and the honourable Minister for Economy who is a member, so make it profitable and everyone will be happy, particularly the landowners themselves. They have not been paid any timber sales proceeds to-date.

I will go on to Energy Fiji Limited (EFL), Sir, particularly on the recommendation where it ensures that the entire production have access to electricity by 2021. It is a 20 year National Development Plan (NDP) from 2017 to 2036. It is important to get the electricity to the rural areas, particularly in the Wainunu area. There are various sources for hydro or solar, some of the villages have solar. A lot of villages still have diesel but there is a hydro there that has been proven feasible in Nuku, Wainunu and supported by honourable Sigarara from the FijiFirst Party. It is important to

have that hydro scheme working which has been proven feasible and the Water Authority of Fiji have studied it for three to five years and have approved it, but today nothing has been done. That can supply electricity to Wainunu, Kubulau, Wailevu, Dreketi, Lekutu, et cetera.

It is important, Mr. Speaker, Sir, to generate our own fuel for the future as we have increasing prices of fuel as imported from offshore, particularly in Vanualevu, they still have diesel there. They have biomass here in Nadroga, contributing more energy to the EFL but we need biomass too in Vanualevu. The hydro, biomass and solar, we need to increase the production of energy into our rural areas, but I think it is too late for FijiFirst now, the new government is going to do that.

MR. SPEAKER.- Honourable Members, before I give the floor to the next speaker, I have rearranged the speaking order as I had additions to that. So, the next speaker will be the honourable Simione Rasova; followed by the honourable Minister for Commerce, Trade, Tourism and Transport; then honourable Jese Saukuru, honourable Mikaele Leawere, the honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources; and the honourable Attorney-General. Please, take note of that order.

HON. S.R. RASOVA.- Mr. Speaker, Sir, I would like to thank the Public Accounts Committee on the Review of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and other Entities and the 2018-2019 Audit Report of Statutory Authorities.

Given that most of these companies are in Viti Levu, I would like to stand because of my representative in Parliament through the Eastern Division from Kadavu, Lomaiviti, Lau, Rotuma and most of these companies here do not really relate to all of these, except some of the commercial companies. I think most of the people out there maybe, the people who are here. You may not be really aware, it took me almost four years to understand all these Government commercial companies and the commercial statutory authorities and the statutory authorities until to date. Regarding the Fiji Broadcasting Commission, that is Government Commercial Company.

HON. A. SAYED-KHAIYUM.- Fiji Broadcasting Corporation.

HON. S.R. RASOVA.- Yes, Fiji Broadcasting Corporation. Also, Fiji Public Trustee Corporation and Fiji Hardwood Corporation Limited. If you are saying that we do know, what about the public that are listening, they would not even know. And I know that half of the people are out there that do not even know anything that is noted here. I would like to thank all the Committee Members, the Chairman, the Deputy Chairperson, Hon. Joseph Nand and Hon. Vijendra Lal.

I think the Committee Members over here, Hon. Aseri Masivou Radrodro and Hon. Ro Teimumu Kepa have spoken on this review of the Budget. I hope that both of the Members; Hon. Joseph Nand and Hon. Vijendra Lal should also speak on this because you people are the ones that scrutinised Standing Order 110 and you should be the one telling the people of Fiji on what you did on this report.

Unfortunately, Mr. Speaker, Sir, this side of the House when they try to debate on the review of this Committee and also the Report on the Auditor-General, we seem to be bringing in what we know and what we read. Yet, the other side of the House is always against any positive criticism regarding the financial health and financial running of this Government,

HON. A. SAYED-KHAIYUM.- You do not know the truth.

HON. S.R. RASOVA.- I am telling you the truth and that is why I am telling you.

HON. A. SAYED-KHAIYUM.- You do not speak the truth.

HON. S.R. RASOVA.- Now, they are controlling what the truth is and just today, they said he is a liar. Now they are controlling who is going to say the lie and who is going to tell the truth. That is what they do, honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Yes, we do.

HON. S.R. RASOVA.- You have to accept what we say. This is the loyal Opposition. You should accept this because this is a positive criticism.

HON. A. SAYED-KHAIYUM.- Loyal to who?

HON. S.R. RASOVA.- We are loyal to, Mr. Speaker. He was the Chief Guest at the Auditor-General's function and you were the one that was against the Auditor-General. That is what you are saying.

HON. S.R. RASOVA.- Mr. Speaker, you have to control who is telling the truth and who is telling the lie. But anyway, this is from my side. As a citizen of this country, as a loyal Member of this Opposition, we always try and tell the truth. A positive criticism, honourable Attorney-General. Accept it, so that we could move this country forward. We are talking about the debts and here we are having statutory bodies and I never knew about this.

We do not go to workshops anymore and there is a limited people that go to the workshops. That is what this Government is doing. I mean we have 51 Members and we are supposed to be one to get this country in order, get the debts down, and get the machinery from overseas in a better motion to go forward. The honourable Attorney-General always wants us to be like Singapore. Okay, let us work together in a bipartisan and move this country forward.

And they are saying here that the Government Commercial Companies and Commercial Statutory Bodies. There are seven; Fiji Broadcasting Corporation Limited, Fiji Public Trustees Corporation, Fiji Hardwood Corporation, Fiji Rice, Energy Fiji Limited and Fiji Development Bank. These are the Statutory Companies. Eleven Statutory Authorities, people do not know about these companies. Fiji Competition and Consumer Commission (FCCC), Fiji Services Aftercare Fund.

They are not interested because they do not know.

(Laughter)

There are only three of you that are Members of this Committee. That is the Chairman, who is always touring around with the Standing Committee on Justice, Law and Human Rights and also Hon. Vijendra Lal and Hon. Joseph Nand. You people are supposed to come here and speak on this. This is your Report and when I am talking about the report, you are saying you are against it. You have all the excuses. Now the Consumer Council of Fiji.

HON. GOVERNMENT MEMBER.- Oh my god!

HON. S.R. RASOVA.- Alright. The Sugar Industry Tribunal, Accident Compensation Commission and Fiji Sports Commission and mind you, honourable Minister for Sports, you have to

distinguish Fiji Rugby Limited and the Fijian Drua as two different entities, Mr. Speaker, Sir. Firstly, the Fijian Drua is owned by Counter Ruck PTE Limited (CRL) and Fiji Rugby Union owns the Flying Fijians; the honourable Minister should know his ministerial portfolio.

We have Investment Fiji, Fiji Roads Authority, Fiji Sports Council and Civil Aviation Authority of Fiji – we approved Bill No. 17 and the next day they approved a loan of about \$160 million from ANZ and the Centre for Appropriate Technology which is overseas. These are companies that we always hear about publicly but this is probably the third time of all time it has been presented in Parliament for debate. I hope that all honourable Members of Parliament take heed of these things as it is very important.

Once we have positive criticism on the debate, it will do good for the honourable Minister responsible, also the honourable Prime Minister and all the Ministers. And yet, this report has come three years late to Parliament and the insubordination of its Permanent Secretaries and Ministers according to the Decree amended by the honourable Prime Minister on 1<sup>st</sup> December, 2010.

(Chorus of interjections)

HON. S.R. RASOVA.- That is non-compliance and insubordination of some workers on the Open Merit Recruitment System (OMRS). Thank you, Mr. Speaker, Sir.

HON. F.S. KOYA.- Mr. Speaker, Sir, sometimes I really want to say what a load of “bleep” but unfortunately, I cannot. Even this morning, honourable Professor Prasad and his three musketeers who are not here again - obviously they have gone out campaigning. It seems like after his little hissy fit in New Zealand, he decided to take on FBC and *Walesi* and start with all the nonsense that he does in his usual manner, completely irrelevant to what we are actually talking about.

Nevertheless, Mr. Speaker, Sir, I rise to contribute to the Standing Committee on Public Accounts assessment of the 2018-2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities. I would like to start, Mr. Speaker, Sir, by acknowledging the findings and the recommendations made by the Committee, as well as the contributions made by all Government Commercial Companies, Commercial Statutory Authorities and Statutory bodies in playing a pivotal role in Fiji’s economic recovery.

The Committee report provided some findings for three statutory bodies that are under the Ministry of Commerce, Trade, Tourism and Transport, specifically the Fijian Competition and Consumer Commission, Consumer Council of Fiji and also Investment Fiji. I am pleased to note that the Committee did not find any adverse findings in the three independent statutory bodies and their audited reports remain unmodified.

Mr. Speaker, Sir, again, contrary to what honourable Professor Prasad thinks, I would like to re-emphasise something, and that is the fact that these organisations are actually independently governed by their respective Acts - they have their own Boards and Management. I commend the Board and the Executive Management of the three organisations for firstly submitting their annual reports and secondly for having an unqualified report.

Mr Speaker, Sir, this is what happens when you actually appoint the right people, with the right skills in the right position - merit based appointments which we have always spoken about and this is actually a proven formula for success. These sorts of achievements and good governance practices give a lot of confidence in the Fijian economy from the international community. It gives

confidence to our taxpayers also who know that every dollar we give to these statutory bodies is properly accounted for so there is transparency and accountability.

Mr. Speaker, Sir, with regards to the PAC's recommendation on the Consumer Council's need for a risk and disaster plan. I would like to highlight that the Consumer Council of Fiji has developed a risk management policy and disaster recovery plan that ascertain the necessary strategies to implement at the time of need. I would like to conclude by thanking the Committee for this particular report and thanking the statutory bodies in the role that they have played in our economic recovery efforts.

HON. J. SAUKURU.- Mr. Speaker, Sir, I thank the Chairman and the Public Accounts Committee for their effort in scrutinising the report and reporting back to Parliament. Allow me to make contributions on the motion before Parliament on the review of the Consolidated Report for Whole of Government 2018-2019 Audit Report. My contributions will be confined to Sugar Industry Tribunal under Part B of the report on Statutory Authority.

I thank the honourable Prime Minister for his response, but allow me to speak on the report. On the roles of the Sugar Tribunal, the Sugar Tribunal is obliged to advise the honourable Minister for Sugar about the extent to which the objectives of the Act have been achieved in the period under review, for it promotes efficiency and development of the industry; coordinates activities of all sections of the industry; promotes goodwill and harmony between them; prescribes standards governing the mutual rights and obligations of the corporation and growers; provides for the keeping of an official register of growers; also responsible for encouraging and providing means for reconciliation with a view to prevent and settle any disputes within the industry by amicable agreement. Where an agreement is not reached, the Tribunal must explore methods of settling disputes with maximum expedition and minimum legal form and technicality.

The audit of the Sugar Industry Tribunal for the financial year 2017, resulted in the issuance of a modified disclaimer opinion. Altogether, there were 13 qualifications and I wish to highlight some of them:

1. The Tribunal did not prepare and present a statement of changes in equity as a component of the financial statements for the year ended 31<sup>st</sup> December, 2016, which is a departure from the requirement of section 3 of financial statement presentation. As a result, the OAG is not convinced whether the retained earnings balance of \$223,835 has been fairly stated in the financial statements.
2. The Tribunal was unable to provide appropriate documentations to support loss on revaluation of \$165,289 on transfers of \$139,631. As a result, the OAG is not convinced whether the property plant equipment balance of \$462,193 has been fairly reported in the financial statements.
3. The Tribunal recorded trade and other receivable balances of \$263,676 in the statement of financial position as at 31<sup>st</sup> December, 2016 - included in the amount is a VAT receivables balance of \$16,142. Another receivable balance of \$18,831 and owed by Near Infrared Project (NIR) of \$223,650. The Tribunal was unable to provide the auditor with the appropriate documentations to support the above balances and as a result, the OAG is unable to ascertain whether the trade and other receivables balance of \$263,676 has been fairly stated in the financial statements.

4. The Tribunal recorded operating expenses of \$140,897 in the statement of comprehensive income for the year ended 31<sup>st</sup> December, 2016.
5. The Tribunal was unable to provide the auditor with supporting documentation to support transactions totalling \$34,410 recorded as meal and gang expenses. As a result, the Office of the Auditor-General was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of meal allowance and gang expenses at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.

Altogether there were 13 issues raised which the Public Accounts Committee had recommended that a special audit be conducted on the operations and finances of the Sugar Industry Tribunal given the gravity and the high number of anomalies noted by the Auditor-General. Further to this, Sir, the Committee noted other significant matters that were governance issues in that the Tribunal did not have a business plan, strategic plan, disaster recovery plan, risk management policy, human resources policy, IT security policy, policies to govern environmental controls and code of conduct in place, in addition minutes of management meetings were not provided for.

The audit review - there was no evidence to indicate that the management held meetings during the financial year 2016. There was also no evidence to indicate that management held meetings during the financial year 2016. There was no service level agreement regarding the outsourcing of the IT function to Fiji Sugar Corporation. The Committee noted that the root cause, the Tribunal lacks the capacity to develop policies. The absence of these policies can be attributed to absence of proper governance structure. These, if not rectified can lead to a poor culture of governance in the authority.

The Public Accounts Committee recommended with concern the delay in the presentation of the audited financial statements of the Sugar Industry Tribunal and strongly recommended that the Tribunal should prioritise on bringing its audited financial accounts up to-date with immediate effect.

In the consolidated report of the review of the Sugar Industry Tribunal Annual Report for 2011 – 2015, the Economic Affairs committee noted, and I quote these issues of concern:

- “1. The Annual Report is not comprehensive enough to detail its performance against its objectives.
2. The components of the Master Award is to be reviewed as it is an important and essential instrument to ensure industrial stability and design, to be fair to all genders.
3. No available data on the number of female farmers who register their disputes with the Tribunal.
4. Late submission of annual reports. Current issues can be addressed better.”

I reiterate, Sir, my earlier call when responding to the motion by the Standing Committee on Economic Affairs regarding the Sugar Industry Tribunal. We have seen new faces on the helm of many leadership to bring about new vision and renewed hope. Changes in life, Sir, help us move forward and become better professionals and better personalities. We suggest that the Government should consider making necessary changes in the leadership of the Sugar Industry Tribunal.

HON. M.R. LEAWARE.- Thank you, Mr. Speaker, Sir, for allowing me to contribute to the motion before Parliament. Like my fellow colleagues who have spoken before me, the Committee



has made an excellent work in highlighting some of the issues that has been noted from the Auditor-General's Report and I commend the honourable Chairman and the Committee for this Report.

My contribution, Mr. Speaker, Sir, will be on Fiji Roads Authority (FRA). As a corporate entity, established in 2012, FRA is responsible for Fiji roads. Of course, budgetary allocation has been given but according to the audit report, there are anomalies identified in the Fiji Roads accounts.

Talking about Fiji Roads Mr. Speaker, Sir, let me just inform the House about the conditions of some of our roads especially from the cemetery at Lovonilase around that roundabout right to Walu Bay, the roads are patched and the conditions are very deteriorating. It is not very good especially for the motorists as they try to swerve on the roads to divert from such conditions.

(Honourable Member interjects)

HON. M.R. LEAWERE.- It is in the Report and the roads are in very bad conditions. The motorists try to swerve especially on the patched portion of the roads and it is not very good and dangerous for oncoming vehicles.

Also Mr. Speaker, Sir, from Navua to Nakavu the roads need to be done especially the two bridges that have been highlighted but they have not been built yet, Mr. Speaker, Sir, as well as the East Bank through Laselase Village in Sigatoka as it is pathetic and rough. The bus services there are not operating due to the deteriorating road conditions. Even the West Bank of the Sigatoka River from Waicoba up the road is inaccessible. So I am highlighting this Mr. Speaker, Sir, so that the authority concerned should at least get these roads and bridges done so that the motorists will not face any dangers on the road.

It is important Mr. Speaker, Sir, to note the findings of the audit particularly on other significant matters and this include if I may highlight; the absence of documented business continuity and disaster recovery plan, assets with zero written-down values and in terms of contribution and reimbursement to and from municipal councils. The Fiji Roads Authority has not brought to account the contribution received from municipal councils an amount payable to the council amounting to \$44 million and also \$28 million respectively in the statement of the financial position.

The amount has been disclosed as contingent assets and liabilities according to the Auditor-General's Report. It was noted Mr. Speaker, Sir, that the Authority's receivable and payable and related expenses and income accounts for current and prior years are understated. This is gross negligence and it is highly recommended that the Authority takes note of the Office of the Auditor-General's findings and recognise themselves going forward.

On redundancy liability accounts, the Office of the Auditor-General noted that the Authority did not maintain a complete list of staff which make up the total balance of redundancy, liability, account amounting to \$1.8 million. The Authority was unable to obtain details of this liability account from the Department of National Roads in 2012 when the Authority was established.

On the impairment of debtors, Mr. Speaker, Sir, the Authority recorded receivables of \$3.5 million as at 31 July 2018 and included in this balance is debtors amounting to \$2.8 million which are over 90 years old. This is a deviation from stated regulation and the OAG noted that the Authority has not provided any impairment loss relating to the debtor balance.

The last point Mr. Speaker, Sir, I would like to raise is on the proper process not followed during the tender process. The OAG's review of the tender process noted instances where members

of the Tender Evaluation Committee were not approved by the Chief Executive Officer of the Authority as required by Section 6.4(b) of the FRA Operations Manual.

For accountability purposes Mr. Speaker, Sir, there is a lot of help needed for officers to have the suitable qualifications to carry out their core functions. On that note I thank you for this opportunity Mr. Speaker, Sir.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, for the opportunity to talk to this particular report and I would like to thank the Committee for the Report that they had just undertaken on the 2018-2019 Audit Report on Government Commercial Companies and Commercial Statutory Authorities and Other Entities.

I just like to talk very briefly about two of the entities here in particular on Energy Fiji Limited and Fiji Roads Authority. Honourable Aseri Radrodro was asking earlier on why it is that EFL is not being audited by the Office of the Auditor-General. I think we all know now that EFL is now a private company, has a shareholding by an investor from overseas and one of the things that the investors always want is, they want their audits on time and this is something that we have been talking about in this Parliament. In a lot of cases audits are a bit late even for the Fiji Roads Authority for instance, there are 2019, 2020 and 2021 audits are in progress.

For WAF, 2019 and 2020 is in progress. For the Ministry of Infrastructure 2019, 2020 and 2021 are already in progress. For the Ministry of Lands and Mineral Resources 2021 has just been completed. All of these audits take some time and sometimes entities like EFL get left behind and that is one of the reasons why these things are happening.

Looking at the audit here for EFL I am glad to see it has an unmodified audit. There is no qualification of audit so I think that is an achievement. A lot of times all Ministers want to see that Commercial Statutory Authorities (CSAs) get unqualified audit. It is not the same for FRA, the audit there was qualified and that is a concern for us.

Just looking at some of the issues that we have here for EFL where they are talking about the reimbursements from the Department of Energy this is one of the significant matters that was recommended. The Office of the Auditor-General recommended that the grants receivable should be recorded in the correct accounting period and when there is a commitment of payment during the period of overstatement of assets.

The issue at hand there was that there is an invoice of slightly more than \$7 million was issued to the Department of Energy in 2019 for various Rural Electrifications Scheme but this was then reversed in 2020 due to non-payment because the invoice was only raised to facilitate payment from Department of Energy (DOE) but eventually this did not happen and that it did not have any impact on the profit and loss of EFL. So that statement there that it might have impact on the statement of the financial position did not actually happen.

The second point that have made here in relation to EFL was the utilisation of rural electrification funding where the report makes some recommendations for EFL to coordinate with the Rural Electrification Steering Committee. There is a Rural Electrification Steering Committee present, Mr. Speaker, Sir, that looks after rural electrification that is done by EFL which is grid extension.

This Rural Electrification Steering Committee has representatives from the Ministry of Economy, Department of Energy and Energy Fiji Limited. They work hand in hand in a coordinated

manner. They meet every two months to monitor the progress of rural electrification projects and to make sure of its timely implementation and they also look at the funding of all the projects.

There was also a statement made here by the Office of the Auditor-General's Report that the company EFL should work out the strategy to ensure that the entire population had access to electricity by 2021. It is important to make a distinction that that is the target of Government to make sure that we have 100 percent access.

Mr. Speaker, EFL is an agent that Government will then pay to help to contribute to that target. So, it is not the EFL to meet the target it is the Government working through EFL, working through the Department of Energy that that works to try to address to achieve that target. EFL is a public company limited by shares and is accountable to its stakeholders of which the Government of Fiji is one of the stakeholders.

One of the objectives of the Rural Electrification Steering Committee is to monitor the progress of each Rural Electrification Project. This Rural Electrification Steering Committee, Mr. Speaker, Sir, carefully monitors the progress of each rural electrification project. It looks at their funding requirements and generally any other issues relating to the timely implementation of rural electrification projects when it meets.

It has its KPIs and further in the rural electrification contract between EFL and the Department of Energy there is no approval required from the Ministry of Economy for projects that roll over from year to year since the Department of Energy and Ministry of Economy are already members of the Rural Electrification Committee overseeing the progress of each of the projects.

The Committee reviews the project status of each project that is work in progress and a plan is devised to execute these projects accordingly. There are of course some challenges to rural electrification especially over the past few years. One of these has been the damaging cyclones that we have had.

From 2016 to 2020, Fiji has experienced a lot of damaging cyclones and these have gone to unprecedented level. *TC Winston* which was a category five cyclone is a good example. It took EFL some seven to eight months to complete the cyclone restoration, not talking about the new projects just to make sure we could have electricity again in places that had been affected by the cyclone, it cost us \$35 million. That \$35 million had to be taken out of projects that were already in process. As a result of *TC Winston*, EFL could not progress the timely construction and commissioning of some of the rural electrification projects because the repair and maintenance of the damaged power lines infrastructure became a national priority.

Mr. Speaker, Sir, 2020 in particular will go down in the history of EFL as one of the most challenging years it has ever had. Apart from the COVID-19 pandemic which adversely affected EFL's business, EFL faced other challenges in the form of four tropical cyclones which struck Fiji in 2020 - *TC Sarai*, *TC Tino* in February, *TC Harold* in April and the year ended with *TC Yasa*. These cyclones brought with them severe flooding, strong winds that caused widespread damage to the power lines infrastructure across the country. Their resources, their employees were put through one of their biggest tests ever and the cyclone restoration works then became EFL's highest priority since it was in the national interest and when these things happen they have an impact on the projects that were planned for that time and the impacts of COVID-19 continued in 2021.

The second wave of COVID-19 impacted EFL's business and the ability to roll out these rural electrification projects. The impacts of the closure of the international borders followed by

restrictions such as lockdowns, social distancing and the imposition of curfew on the health and wellbeing of all Fijians have been challenging. The COVID-19 pandemic affected the timely implementation of rural electrification projects.

The third major thing that has been affecting these things is that we have limited electrical contractors and technical employees within the company and in Fiji and because of that limit it also has an impact on your ability to be able to progress all of the developments that we have.

Some of the other issues that have been brought up with the EFL and with energy, has been some issues about (I think it says here) 'rights over assets resulting from Rural Electrification Scheme'. I can now report that this issue has now been addressed by EFL and the Ministry of Economy and EFL has had discussions with this and now they have an agreement in place to make sure that to build the clause in the grid extension projects, assigned for any rural electrification project between the Ministry of Economy and EFL, and the assets generated from the Rural Electrification Scheme become part of EFL. Thank you, Mr. Speaker, Sir.

Fiji Roads Authority: FRA as I mentioned it has a qualified audit opinion. There are two issues there in the qualification of the audit opinion, one is in terms of the agreement with municipal councils which I understand now is being addressed and secondly is the issue to do with what I had addressed yesterday about the Transport Information Sector Project. But FRA management at that time as I mentioned yesterday, had changed some of the general conditions of the contract which affected the funding that we had from the World Bank in which government then had to finish off the Suva Arterial Road Upgrading Project (SARUP) programme, SARUP 1. But as mentioned yesterday, that has now been addressed by FRA.

Some of the other issues that had been mentioned there: the absence of documented business continuity and disaster recovery plan. FRA has proven that it has means of addressing these issues when disasters do happen but nevertheless policies have been drafted and are yet to be implemented. The work is taking place on the ground.

As with some issues with the assets with zero written down values, some of these assets are not used by the Authority as most of that do not comply with the minimum OHS requirements. Those assets are used to comprise of IT equipment, furniture and fittings. The assets are still in workable condition but FRA management does review the assets with zero values and determines the best course of action based on the budgetary allocation.

Other points that are talked about there in terms of the Redundancy Liability Account, the issue is resolved.

Impairment of debtors; as has been mentioned by honourable Leawere, the figure there has now been reduced to around \$300,000. I cannot see the figure, I think it was over \$2 million, and that has now been reduced to around \$300,000.

Proper process not followed during tender process - the process has been improved and has been updated in their amended Operations Manual.

No clear guidelines to capitalise emergency response works – this has been updated in the amended Operation Manuals. All the immediate response activities will be treated as similar to maintenance, while permanent risk reinstatement works will be capitalised.

Other issues that have been listed there - Asset Disposal Policy, depreciation rates for road

assets, tenders not called for NASRUP N2 Beautification Project - all those issues have continued to be addressed by FRA and as the Minister, we look forward to FRA being implementing some of the things that have been recommended here. We look forward to an audit that comes in the future where they will have no qualifications on their audits.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, a number of contributions have been made. The contribution worthwhile listening to from this side by the honourable Ministers provided clarification.

Mr. Speaker, just very quickly, some of the issues that have been highlighted - the three musketeers are missing again in action, Sir, I do not know where they disappear to after lunch, but again on the *Walesi* issue that was raised continuously, they used that to cast aspersions on what Government have done and, indeed, to somehow or the other justify the actions of the Office of the Auditor-General (OAG).

Sir, honourable Professor Prasad read from the press release of the OAG and I would like to read a press release from *Walesi* too and it goes like this, and I quote:

“*Walesi* Fiji Limited has submitted all financials up till 2020 to the Office of the Auditor-General who, unfortunately, have continued to delay auditing and finalising our financials for every year since 2015.

Our 2015-2017 financials have been audited by the Auditor-General and have already been tabled as part of the Auditor-General’s report in Parliament, which is also easily accessible online.

We had also submitted our 2018, 2019 and 2020 financials for auditing to the AuditorGeneral’s office, and we are waiting for them to finish the audit.

We submitted the 2015 financials on 10 May 2019, however, the audit began 6 months later on 5 November 2019, and the audited accounts were sent back to us 10 months after that, on 18 September 2020.

We also submitted the 2016 financials on 10 May 2019, however, the audit began 1 and a half years later on 13 October 2020, and the audited accounts were sent back to us 9 months after that, on 12July 2021.

We submitted the 2017 financials on 10 July 2019, however, the audit began 10 months later on 13 October 2020, and the audited accounts were sent back to us 10 months after that, on 16 August 2021. We submitted the 2018 financials on 10 July 2019, as well, however, the audit began on 18 November 2021 - a 16 month delay.

We submitted the 2019 financials on 20 October 2020, however the audit began on 18 November 2021 - a 13 month delay.”

Those are the facts regarding *Walesi*.

Honourable Professor Prasad raised this issue without any facts whatsoever and I wanted to highlight, Mr. Speaker, Sir, that *Walesi* also queried the Auditor-General multiple times in writing on the reasons for the massive delays, but no response.

Mr. Speaker, Sir, I also wanted to just very quickly highlight what honourable Professor Prasad mentioned yesterday whilst I got him on the floor that because I received a text message from the CEO, FCCC, therefore, they were not independent.

Mr. Speaker, Sir, when honourable Members from the other side raised issues with all the honourable Ministers, if there is a clarification sought and if someone mentions about, “oh, there is no medicine at Wainibuka”, the honourable Minister will immediately text or *viber* his Permanent Secretary to find out what is happening. If there is any issue raised, for example, all of us do that, that is their responsibility.

It is also our responsibility to obtain, as Executive, that information. If tomorrow, the next Member stands up and says that the foreign reserves has just dropped by \$100 million, I cannot give you the answer. I will go to the person who looks after the foreign reserves and I will send a *Viber* message to the Governor of the Reserve Bank of Fiji saying, “Dear Governor, is this the case? Please, tell me what is your foreign reserves now?”. He is an independent officer, by him communicating with me does not mean, therefore, that he is compromising his independence.

The National Federation Party (NFP) has just put up a post at lunch time saying, “Great sources - a revelation that the FCCC has sent a text message to the Attorney-General and therefore, they are no longer independent.” This is the quality of Parliamentary contribution, Sir. It is up there, someone just sent it to me. That is the level of political acrimony, ‘desperation’ is the word, Mr. Speaker, Sir.

(Hon. Opposition Member interjected)

HON. A. SAYED-KHAIYUM.- Not just my friend, it is your friend! You guys are all clapping. You give out the loudest clap every time he speaks. This is the level of debate that we get from the other side.

Mr Speaker, Sir, honourable Professor Prasad again, loves the word, ‘bankrupt’ - FSC is bankrupt, *Walesi* is bankrupt, Fiji Hardwood Corporation is bankrupt, Fiji Airways is bankrupt. He has never worked a day in the private sector, but he talks about bankruptcy.

HON. P.D. KUMAR.- Nor in Government.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, nor has he been in the Government, nor has he worked in any commercial entity or statutory entity. I do not know whether he knows how to read a balance sheet or not, or knows what gearing is. But immediately, Sir, he says ‘bankrupt’.

This is the contradiction, Mr. Speaker, Sir, he, on one hand, lamented the fact that now we have a Japanese company that has bought a minority shareholding in EFL and he is saying, “While it has come in - it is terrible.” Then on the other hand, he lamented the fact, “Oh, will EFL be able to make a profit now or not?” What does he want? He is saying that EFL now will no longer be able to carry out its social obligations. A business does not carry out social obligations. On one hand, they lament the fact that we need all these things done by all these companies and on the other hand, they complain about the fact that they were not making profits.

This Government, Mr. Speaker, Sir, has taken a very business-like approach and a proper accountable approach. Before, the reason why the rate of electrification in Fiji was low because the Government used to get FEA to do it and FEA was limited. Under this Government, we give the money to EFL to do it. Under this Government, when we want low income people to pay half the

electricity rate, we do not tell the EFL to charge them half, but we paid on behalf of the members of the public to EFL, so that it does not affect their balance sheet.

Mr. Speaker, Sir, today, Government no longer guarantees any of EFL's borrowings. Our contingent liability is gone. Honourable Radrodro raised the issue, "why is the audit now being carried out by a private company." They used to outsource it in any case. But guess what? The Japanese like to get things done on time and so do we. They said, "If you are going to leave it to the OAG, we will probably get our financials two years later." That is the problem.

Now, EFL gets it done as soon as the financial year ends, within three months, we have the audited accounts. You get the audited accounts, and that is how it should work. That is why we had them excluded from being audited by OAG. You know that now, but why did you not stand up and say it and recognise that? When the honourable Leader of NFP goes on, you all cheer him on. You have to know what you are talking about.

Mr. Speaker, Sir, the other point that I also wanted to say is that, they went on about the Fiji Hardwood Corporation Limited (FHCL). In 2007, the debt stock, in other words, the amount of money that FHCL owed people was \$26 million. Today, Sir, the debt of FHCL which was Government guarantee...

(Hon. M. Bulanauca interjected)

HON. A. SAYED-KHAIYUM.- He did not mention that, he was part of that group that ran FHCL....

HON. M. BULANAUCA- A Point of Order, Mr. Speaker, Sir. I did ask, has the Government guarantee of \$26 million been paid off? Thank you.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Government had guaranteed loans to Fiji Development Bank (FDB) and Fiji National Provident Fund (FNPF), and they have all been paid off this year. All of that has been paid off. There is a loan currently with Merchant Finance and they are expected to be paid off by December 2022. The debt stock of \$26 million, now that debt stock is almost zero.

Mr. Speaker, Sir, iTLTB has been paid (I have got the figures here) - the lease rental paid to landowners. He said that landowners are not getting a single cent.

HON. M. BULANAUCA.- A Point of Order, Mr. Speaker, Sir. I did not mention about iTLTB lease rental, I had mentioned about timber sales proceeds under the Decree and under the Act. No single cent has been paid.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, he did then go on to say that landowners have not been paid a single cent. You cannot make those statements in a vacuum.

Mr. Speaker, Sir, from 2017...

HON. M. BULANAUCA.- A Point of Order, Mr. Speaker, Sir. I am not mentioning anything under vacuum, I am quoting from the Mahogany Decree which specifically says that timber sales proceeds be paid to the landowners, no single cent has been paid. I am not talking about rent, I am not talking about anything else, but I was talking about timber sales proceeds. Thank you.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there is no Decree, there is an Act. I will come to the Act because you only read half of the sentence, and that is your problem - half pie.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the lease rental paid to landowners from 2017 to 2021 was \$3,397,021.48 and the stumpage paid was \$1,344,863.71.

Mr. Speaker, Sir, honourable Bulanauca is talking about the proceeds. If he reads the Act, it actually talks about when FHCL is able to pay off all of its debts, is able to get the company up on its feet, then there will be a mechanism that will be developed to share the proceeds with the landowners. This has never happened before. There was never a clear legal directive to do so, everyone knows that.

In the same way, Sir, people have been talking about for decades in this country, right from Vatukoula days, that the royalties that Government collects must be shared with the landowners. It was in the 1997 Constitution of the Republic of Fiji, it did not happen. It was in the 2013 Constitution of the Republic of Fiji, under our honourable Prime Minister's leadership, that the landowners get 80 percent of the royalties that normally go to the State but we are paying it to the landowners, Sir.

Honourable Bulanauca, when we do things, we do it properly. We do things properly, Mr. Speaker, Sir, and that is going to happen because the debts will be paid off, FHCL has also been (which he failed to mention) has now re-engaged in the planting of more mahogany forests. He did not also mention that the rates have also been reassessed where landowners are now getting paid a higher rental and stumpage has also increased, Sir.

Mr. Speaker, Sir, here we have a debt-ridden company, we have the largest planted forest mahogany plantation in the world. Since 1950s up until 2007, FHCL did not make a single profit, it is a fact!

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- You can speak to George Speight, he was the CEO.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, he does not mention that. He is going on about production and I will tell you the production.

Mr. Speaker, Sir, in 2020, FHCL recorded a 121.9 percent increase in revenue and 108 percent increase in sales revenue in 2021. As I have said, the company has paid off its debt, the revenue generated in 2021 enabled the company to make total payments amounting to \$10.2 million. Again, Mr. Speaker, Sir, there has been replanting of the forest taking place, a lot more land is being actually replanted with forests and obviously, we are building sustainability into it.

I will move along now, Mr. Speaker, Sir, from FHCL to the other points that had been raised. One other point that I wanted to mention as a general comment is that, when honourable Members



come to Parliament and talk about audited reports, if they were not disingenuous, they would know that a lot of the audit accounts were, in fact, pending prior to even 2007. If you look at Municipal Councils audited accounts, it is going back to 2003, 2004 and 2005 - all of that had to be caught up with.

In fact, one of the recommendations that had been made to the OAG is, if some of these accounts are pending for such a long period of time, you can consolidate it. It has been done and there is an audit practice to be able to consolidate it. You do not have to do it year-in, then the next year, and then the next year. You can consolidate it, in particular, if such a long period has lapsed. They refused to do it, so you have to wait on a single linear approach for the submissions of these reports.

Mr. Speaker, Sir, the other point that I also wanted to make was in respect of the Fiji Roads Authority (FRA) tender. Honourable Usamate had touched upon some of those areas regarding FRA, Sir. One of the problems we did face with the Asian Development Bank (ADB) and it was mentioned yesterday also was that, when funding from ADB, if you meet certain MQRs, then whoever was the lowest actually got the tender. But what we found, Sir, was that some of the companies, whilst they met the MQR, the ones that actually ended up getting it was because they were under-pricing and, shall I say, insubstantial companies, that the quality of their works was not good. They would actually do a road pavement but within six months, it would break up.

We talked to ADB and said that we wanted to put certain stringent requirements so that the quality of works of those companies must also meet a particular criteria. The cheapest is not always the best, as you know, so we need to ensure that we have to have companies that meet a higher standard of MQR. There is, of course, internal mechanisms within ADB and there are all those regional socio-economic politics that goes on, but we do not want to be part of that.

Someone raised it yesterday that we ended up paying for it. Yes, we ended up paying for it because we wanted the right contractor. We know what the road conditions are like and we know what the weather conditions are like. If you go to the road conditions in somewhere like Rewa, the soil texture is very clayish and different as compared to, for example, you going out to the West. If you go around the Yadua way, the soil texture is a lot better, it is different and more solid, but in other places in Fiji there is lot more clay. You cannot apply the same roading standards as you do, for example, in a clay soil area in Rewa as opposed to somewhere in the West. So, you need to be able to ensure that the tenders and specifications you have actually cater for that. That regime of tendering that they had did not cater for that. If we actually complied with that standard, the public would come and complain, "Hey the road is breaking up within six months. It has rained for five days, it is breaking up". So, all these things need to be taken into consideration.

Honourable Professor Prasad, again, is not here, Mr. Speaker, Sir, but he said that since 2007 up to 2014, there was no scrutiny of accounts. What a load of nonsense! Honourable Radrodro actually sat in the Committee that was appointed by the honourable Prime Minister during the Bainimarama Government days where they actually had a Committee, similar to the Standing Committee on Public Accounts. He is nodding his head in agreement. There was a group of them and they used to scrutinise the OAG's Reports. Honourable Professor Prasad who has now done a disappearing act, again, makes that statement and just disappears off into the night.

Mr. Speaker, Sir, the other point that I also wanted to make was that, honourable Usamate read out a comment made by the Auditor-General in the Energy Fiji Limited (EFL) Report. The Auditor-General said that EFL should provide electrification around Fiji. That statement itself, Sir, demonstrates a fundamental lack of understanding, either deliberately or just complete ignorance,

and I would say, negligent ignorance, the difference between the Executive, the difference between policy and the difference between who are the people who are supposed to do or fund the job. You cannot go to a limited liability company and say, "You should be doing this."

Therefore, the OAG does not understand governance. They do not understand the fact that EFL has its own Board, they have their own budget and they have their own balance sheet. If Government wants to have people connected to the electricity grid, it is Government's responsibility to connect those people and when Government connects those people, the Government goes to the supplier of that connectivity and say, "what is your price, we will pay you the price, we will make an allocation in the budget, please, do this for us." It is a fundamental lack of understanding by the OAG in respect of this, Sir. Therefore, how can one take these observations of the OAG seriously in so many instances? It is a fundamental lack of understanding.

Mr. Speaker, Sir, in the interest of time, the last point I would like to make is that, one thing that appears to be lost on many of the honourable Members on the other side is climate change. Honourable Usamate highlighted that, some other honourable Members highlighted that. It has an enormous bearing on our ability to deliver what we set out to deliver.

Even this year, Mr. Speaker, Sir, we had only *TC Cody* but we had two or three weeks of incessant rainfall. I have said in Parliament before, *Kabisi Highway* went; *Nawai*, one lane went; *Semo*, one lane went; and in *Ba* and various other places - landslides, et cetera. We do not budget for that. We then re-allocate funds that has been already approved by Parliament and divert those funds to those areas. We work within that framework of money that has been allocated to us, so we have to re-allocate funds.

If today there is a cyclone or a catastrophe or a volcanic eruption today, we have to get the money from somewhere. Somewhere, some expenditure is going to be stopped and we divert the funds to that place. That is what happens, Mr. Speaker, Sir. In all their submissions, none of them talked about *TC Winston* and none of them talked about the 13 cyclones that we have faced.

Mr. Speaker, Sir, that is why the honourable Prime Minister goes overseas, we talked to our development partners, and then they actually berate us for doing that. I remember when the honourable Prime Minister was going overseas during his Presidency of COP23, all of them had a go at him saying, "Oh, he is travelling overseas." Today, we are getting interest rates at zero percent because they recognise our climate vulnerability. Even though we are deemed to be a middle-income country, the World Bank is giving us concessional financing because they recognise our vulnerability to climate change. We are one of the most vulnerable countries in the world, it is listed, please go and read about it. So, when we talk about finance, allocation of funding, allocation of resources, please, take into account climate change.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, once again I would like to thank all honourable Members and especially the honourable Attorney-General for summarising the Report because a lot of things have been said by the Opposition which do not relate to the Report itself. Nevertheless, it has always been the case.

I would like to thank all the Members who have responded positively and all honourable Ministers who have taken the recommendations positively.

Question put.

Motion agreed to.

**QUESTIONS**Oral QuestionsRevitalisation Plans for the Sugar Industry  
(Question No. 105/2022)

HON. I. KURIDRANI asked the Government, upon notice:

Can the honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry, Foreign Affairs and Forestry update Parliament on the Ministry's plans to revitalise the Sugar Industry?

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to respond to the question by honourable Inosi Kuridrani.

Mr. Speaker, Sir, it is an Election year for us so I suppose there is no surprise that the Opposition has, once again, started kicking the cane industry like a political football. It is a pity that honourable Professor Prasad is not here because I heard him make a comment this morning to say that there are dictators on this side of Parliament. I want him to know that there are no dictators on this side of Parliament; what we have on this side of Parliament is strong, decisive leadership.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. J.V. BAINIMARAMA.- Just because he is married to PAPI, it does not mean that he can stand on the table and beat his chest. But as always Mr. Speaker, Sir, I shoot straight with the cane growers about the state of the industry - no lies, no false promises just the facts as they are. And the fact is that we have continued to provide higher levels of support to cane growers, than at any point in Fijian history.

Fertilizer and weedicide subsidies, cane top-up payments, cane-cartage transportation payments, cost for Penang Mill area growers, assistance with the renewal of leases through top-up payments to landowners, upgrading of cane access roads covering one-third of the cost of purchases for the mechanisation of cane harvesting, the purchase of cane lorries and incentives for new growers to enter the industry and for growers to boost cane production.

Mr. Speaker, Sir, we have challenges as you all know - when the going has been tough for the cane growers, their government has extended a firm hand of support due to climate change. As we have heard, Sir, floods are more intense, droughts are longer and storms have been stronger and more frequent than ever – *TC Sarai*, *TC Evans*, *TC Winston*, *TC Harold*, *TC Ana* and *TC Yasa* were all brutal blows. *TC Winston* and *TC Yasa* alone caused massive damages to the cane production cutting production to 1.4 million tonnes in 2016 and 2021.

Not only cane was affected but the cane access roads and milling infrastructure were severely damaged. Intense rainfall caused water logging, reduced soil fertility and ultimately reduced cane productivity. Those challenges, as everyone knows, are beyond our immediate control.

Post-pandemic, the price of fertilizer almost doubled. Russia's invasion of Ukraine has since exacerbated the situation with international sanctions on Belarus which is the supplier of gMOP fertilizer and Muriate of potash and the fertilizer export restriction imposed by China, the largest exporter of DAP Fertilizer have both substantially increased prices. The South Pacific Fertilizers

Limited is procuring fertilizer materials from alternative markets at a cost that has increased two to threefold and there is COVID-19.

Mr. Speaker, Sir, all the challenges that we have comes in combination with the economic shock caused by COVID-19; there were lockdowns, port closures and inconsistency shipping schedules that affected the sugar and molasses sales all of which affected the Fiji Sugar Corporation's cash flow.

Global lockdowns, Mr Speaker, delayed the arrival of parts of equipment which compromised timely mill maintenance. I should mention that despite the COVID-19 challenges and failed boycott instigated by the National Farmers Union last year, the mill operated well with fewer breakdowns and stoppages. We shielded growers from global price hikes by absorbing the entire increase in fertilizer cost with an additional grant allocation of \$9.72 million.

Mr. Speaker, in the revised 2021-2022 Budget on top of the initial allocation of \$15.6 million, the total allocation is \$25.3 million. From 1<sup>st</sup> April, 2022, the price of fertiliser has gone up in excess of \$80 per bag, yet my Government has continued to subsidise the entire difference of that increase so that growers still pay the same price of \$20 per bag and we made an additional allocation in the most recent revised budget to cater for that increase.

Mr. Speaker, my Government is the only one in history to introduce the guaranteed sugar price of \$85 per tonne irrespective of the world market price. This has given security and certainty to farmers by supporting their bottom line.

Mr. Speaker, my Government is also working with our counterparts to ensure that the export of sugar to foreign destinations attracts low or zero-rated duties to give Fiji a competitive advantage over other sugar exporting countries.

Mr. Speaker, the recent price review of sugar in the domestic market conducted by the Fijian Competition and Consumer Commission (FCCC) will further consolidate the pricing for farmers and ensure FSC acquires the right price for its product and generates revenue to perform targeted investments to increase crop yield, improve milling efficiencies and product diversification.

Mr. Speaker, the industry institutions are closely collaborating to boost cane productivity. The FSC and the Sugar Research Institute of Fiji (SRIF) has acquired a highly qualified personnel from India to do research and address the soil health issues in our sugarcane farms.

SRIF through its new CEO has consolidated efforts in reviewing the sugarcane varieties prevalent locally with an intent to plant only those varieties that are best suited to Fiji's climatic conditions and those that promised the most optimum sugar contents.

Mr. Speaker, FSC has also recruited new experts to drug strategic objectives on cane development. Strong emphasis is being placed on the improvement of soil health through initiatives such as fertiliser uptake, application of aglime and intercropping to name a few.

The focus is always shifted towards more structured and methodological harvesting and transportation systems for the 2022 season something that will ensure strong supply of good cane to the mill thereby improving milling efficiencies.

Mr. Speaker, in many ways the sugar industry is like any other business. To sustain a business we need to:

1. Achieve a balance volume of crop;
2. Manufacture the required volume of sugar; and
3. Set the right price levels to be viable in the business.

The sugar industry is expected to achieve its targets of 2 million tonnes of cane this year and with the current sugar price in the domestic and export markets sugar revenue will increase.

The climate impacts I have discussed taken in combination with global trade disruptions have presented FSC with huge challenges. Notwithstanding risk, Mr. Speaker, FSC has been provided with the Government guarantee as it navigates through this interim period. This financial support will continue as FSC remains on its path towards financial stability on the back of strong marketing initiatives, enhance milling efficiencies and improve cane production.

Mr. Speaker, I want to stress that Fiji is not alone in the way we support and subsidise the sugar industry. India being one of the largest sugar producing countries subsidises its industry significantly. My Government does the same for the same reason to continue to support our sugar industry so that our growers can trust in a viable and sustainable future.

Mr. Speaker, as highlighted in some of my previous responses in Parliament, FSC will continue to carry out product, development and diversification and grow the market for its sugar of Fiji product. It will also work on improving the packaging machines and distribution channels and acquire international certifications that would open doors to new markets.

There is the potential for FSC to generate good revenue through bulk sugar and molasses exports. These will help lift some of the financial burden of government as a percentage contribution towards the guaranteed price of \$85 per tonne. Mr. Speaker, it is not only the world that is changing when it comes to cane growing as new dynamics are in the Fijian economy and workforce are affecting the industry as well.

Fiji, Mr. Speaker, as we all know, is not the same country that it was in the 1960s and '70s. We are a more modern and diversified economy and the interest of the young generation reflect that. Traditionally cane growing has been hereditary with farms being passed down from generation to generation, however young Fijians increasingly want to diversify by growing other crops or even taking up other professions and entirely.

The average age of cane farmers is 59 in a population where a large majority of our people are under the age of 40. This is an issue we must confront squarely. I have mentioned the assistance we are providing to mechanise the industry but not all terrain can be harvested by machines. Some require manual labour and to fill the labour shortage, Mr. Speaker, we are also working with the Fiji Corrections Service to supply labour to the industry. In addition, as we have highlighted, 43 percent of all cane growers are small growers, cutting less than 100 tonnes of cane per year. These growers are far from fully relying on cane growing and often grow other crops to subsidise their incomes.

Mr. Speaker, that is why we created the option for smaller scale growers to grow non-sugarcane crops for domestic purpose to support Fiji's food security and for export purposes. We need more locally grown crops available for our people. They are healthier and more resilient to the global price shocks we have been experiencing.

As announced in the revised budget of 2021-2022, Mr. Speaker, the government has allocated \$500,000 to support cane growers who seek to convert their sugarcane leases to agricultural leases to plant other crops or for residential purposes. We will, of course, work with landowners, Mr. Speaker, iTLTB and interested farmers to help them obtain new leases.

We expect, Mr. Speaker, that primarily, small scale growers will wish to diversify into non-sugar crops as they might find it more feasible and profitable to do so. At the very least they deserve that option. Meanwhile the government will continue to boost cane production and ensure that our target of two million is achieved by this year.

With the mills to begin crushing early next month, I wish a fruitful year to the growers, the millers, the lorry drivers, cane cutters, harvester operators and all stakeholders involved with the industry. Thank you Mr. Speaker.

HON. I. KURIDRANI.- A supplementary question, Mr. Speaker, the fact of the matter is that the sugar industry is struggling to survive due to low production and high cost of production. The cane cartage alone consists about 40 percent of cost of production ...

MR. SPEAKER.- What is your supplementary question?

HON. I. KURIDRANI.- ... With the recent fuel increase, Mr. Speaker, Sir, is there any plan by this Government for distant farmers to establish this trans loading zone so that it helps them to survive? Thank you, Sir.

MR. SPEAKER.- You sit down.

HON. I. KURIDRANI.- Is there any plans to establish trans loading?

MR. SPEAKER.- You have asked the question, so you sit down so that I can give the floor to the honourable Prime Minister. You have the floor, Prime Minister.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, there is comment in the papers that I was betrayed, but I will stay with SODELPA now because of the *massari* I can get as Member of Parliament - a very confused individual. Someone once said this predicament is like that of his party and his leadership, they are neither at home or at the jetty. All of them wear massive smile and carry a pocket knife ready to stab.

I have already covered everything, but with regards to the price of fuel, there is an independent body namely the FCCC that conducts price reviews. There is a process for FCCC to follow when considering price review for any regulated price and all stakeholders are required to follow the procedure.

Capital Works on the Protection and Preservation of Fiji's History  
(Question No. 106/2022)

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

Can the honourable Minister for Education, Heritage and Arts, and Local Government update Parliament on the capital works being undertaken by the Fiji Museum to protect and preserve Fiji's history?

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

Mr. Speaker, Sir, Fiji Museum plays a crucial role in preserving Fiji's history as well as Fiji's culture. As a statutory body, Fiji Museum has extended its function beyond the role of collector and

a repository of national heirloom to a research facility and educational resource space and an inclusive exhibition and display arena attracting local and international visitors alike.

With Government's strong commitment and investment, the Fiji Museum is being transformed into a premier cultural and historical destination. This transformation of Fiji Museum will provide educational and cultural benefits to our people, revitalised the local economy, grow tourism in the capital city and create a sense of pride.

Mr. Speaker, Sir, the Fiji Museum is well placed within the heritage precinct along the Queen Elizabeth Drive for around four decades now, however the façade of the Fiji Museum looks run down. Their interior needs to be improved and displays have to be made more attractive. The Fiji Museum, therefore, required a major renovation and they also needed funds to carry out those renovation works.

The Government has invested around a million dollar to complete some of the planned capital works. These are new visitor restaurant blocks by the Museum veranda, coffee shop facility, new front entrance to the museum, replacement of old roof of the main Museum building, new Fiji Museum shop and this shop is created just like what we find in other museums around the globe.

Fiji Museum also as part of the capital work, had to remove asbestos from the main museum building, creating stall spaces for events equipment (that has been completed), installation of new kitchen and facility for staff and for events at the museum veranda and installation of new electrical transformer and associated works.

Mr. Speaker, Sir, the electrical work at Fiji Museum had to be done urgently because ever since Fiji Museum was created, the electrical wiring was not changed and all our objects in the museum was at risk. Pending capital works at the museum include exterior painting of the museum building and the installation of solar panel system for the main Museum and the Maritime Gallery works.

Sir, 5 percent of full rewiring of the entire Museum and conservation building is left to be completed. The Government has provided \$496,944 for these pending works. While the Government focussed its investment on infrastructural and exterior component, a lot of the interior gallery display works is supported by donors and sponsors, who have shown great interest in assisting Fiji Museum achieve its vision.

Mr. Speaker, Sir, to preserve Fiji Museum objects, a sum of \$400,000 was provided by the US Ambassadors Fund for Cultural Preservation (AFCP). This fund will be used for both, hard and soft infrastructure initiatives, such as the refurbishment of storage space for objects, renovation of space to be used as a lab for object conditioning work, research and development of an online database for all Museum objects, audit of Museum objects and archival materials and to implement educational session so that the public could appreciate the value and significance of our heirlooms.

Mr. Speaker, Sir, the revamping of Fiji Museum Maritime Gallery is another initiative that will provide unique maritime history. The Gallery which will host this new major exhibition titled, "Voyages: Stories of an Ocean People, is now close to completion. Once it is completed, it will set an exciting new direction for Fiji Museum.

Visitors to this exhibition will discover the stories of great voyages that have created modern Fiji – from the early Lapita people who arrived over 300 years ago, the skilled *iTaukei* craftspeople who had travelled by Drua and navigated and traded in the vast Pacific highway, stories of the *Girmitiya* voyages and other more recent migrants who came as whalers, missionaries, labourers and

traders.

Mr. Speaker, Sir, ultimately this exhibition will encourage visitors to connect with our ocean while being challenged to consider what ocean legacy they are leaving behind for their children, as they navigate a warming world due to climate change and the related implications.

Mr. Speaker, Sir, recently, the Fiji Museum received \$40,000 from the Australian High Commission to implement a Museum Education Action Plan for Fiji, first ever to be pursued at national level which includes interactive initiatives for people with disabilities.

Our visitors have a high expectation of the National Museum. They prefer physical experience of the Museum and enjoy entering a world that belongs to them, a world of wonder and inquiry. And to provide that facility, the Government is committed to improve the Fiji Museum and we are doing whatever we can to put Fiji Museum as an important facility for our cultural and historical Fiji. Thank you, Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Members, for the purposes 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 in 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 final agenda item on today's Order Paper which is on Schedule 2 - Oral Questions, and with a few remaining questions, we request that Parliament sit beyond 4.30 p.m. in order to complete the listed items.

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

As no one wishes to take the floor, honourable Leader of the Government in Parliament, do you have anything further to add?

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- No, thank you, Mr. Speaker, Sir.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, on that note, we will take a 20 minutes break for afternoon tea.

The Parliament adjourned at 4.25 p.m.



The Parliament resumed at 4.49 p.m.

### QUESTIONS

#### Programme to Improve Navacikadrokadro Crossing (Question No. 107/2022)

HON. M. BULANAUCA asked the Government, upon notice:

Can the honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources update Parliament on the programme to improve the Navacikadrokadro Crossing along Nalomate River in Wainunu, Bua?

HON. J. USAMATE.- I thank the honourable Member for his question.

Mr. Speaker, Sir, this particular Navacikadrokadro Crossing, actually in the books of the Fiji Roads Authority (FRA) it is referred to as the Daria Crossing because it is upstream from the Daria Village on the Nalomate River. It is a low level Crossing in Wainunu, Bua, along the Nabouwalu unsealed road.

Mr. Speaker, Sir, the Crossing comes under the FRA routine maintenance programme, which means that it undergoes maintenance work every now and then. In this regard, FRA has just recently completed the deck repair, the top of the Crossing has been overlaid and has been improved on.

In addition, Mr. Speaker, Sir, the Crossing is programmed under the FRA Forward Work Programme as one of the crossings that is earmarked to be upgraded to a bridge. So, it is earmarked for that but in the next financial year, we will get the money to do the design for that to become a bridge and hopefully, sometimes in the future, we will have the money to actually construct this particular bridge. Thank you, Mr. Speaker, Sir.

MR. SPEAKER.- We will move on to the next question. This question was supposed to be asked by the honourable Kirpal but he is not in Parliament at the moment and I have asked the honourable Maharaj to ask the question.

#### Performance of Fijian Exports (Question No. 108/2022)

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

Can the honourable Minister for Commerce, Trade, Tourism and Transport inform Parliament on the performance of Fijian exports and what were some of the commodity exports that increased in the past year?

HON. F.S. KOYA.- I thank the honourable Member for the question.

Mr. Speaker, Sir, Fiji's international trade actually plunged in 2020 due to the pandemic, as we all know, similar to what other countries have actually experienced but we somewhat recovered around 2021 and despite the recovery being below pre-pandemic levels, we had seen some commodities actually excel. Trade in several products such as fuel, aircraft, cars, machines actually took a nosedive globally in 2020 and in 2021, while trade in goods such as medical protective equipment, pharmaceutical products, home appliances and electronics actually increased. It is

important to understand the impact of trade on specific goods and sectors and even amongst respective countries, it is actually highly diverse.

Mr. Speaker, Sir, Fiji exported a total of \$1.85 billion worth of goods in 2021, which was an increase of 3.2 percent from \$1.79 billion when compared to the year 2020. While trade of several types of goods actually decreased, trade and other goods increased remarkably. Our domestic exports have shown an increase of 10 percent compared to 2020, and 7 percent compared to 2019 which is a pre-pandemic period. We acknowledge that this is a below pre-pandemic level, but this is actually understandable.

It should be noted, Mr. Speaker, Sir, in 2020, some of the exports have shown an increase compared to 2019 and 2020. Turmeric increased by 254 percent compared to 2019, and 62 percent compared to 2020. Spices also increased by 175 percent compared to 2019, and 45 percent compared to 2020. Insulated wire, cable and other insulated electric conductors increased by 68.4 percent compared to 2020. Potato chips and other assorted snacks had actually increased by 42 percent compared to 2020. Mineral water increased by 40.2 percent compared to 2020, and 7 percent compared to 2019. Wood and chips or particles increased by 35 percent compared to 2020, and 99 percent compared to 2019. Molasses actually increased by 29.8 percent compared to 2020, and 86 percent compared to 2019. Kava also increased by 29 percent compared to 2019, whilst there was a 4 percent decline compared to 2020. Uncooked pasta and noodles also increased by 27.4 percent compared to 2020. Taro increased by 12.3 percent compared to 2020, and 21 percent compared to 2019. Sweet biscuits also increased by 1.9 percent compared to 2020, and 28 percent compared to 2019.

We are actually capitalising on these particular growth areas by deepening our presence in the existing markets, Mr. Speaker, and continuously exploring opportunities for newer markets. The Ministry is also working with key trade partners, development agencies and international organisations to develop capacities and address non-tariff barriers, diversification and supporting MSMEs in simplifying business processes to stimulate export growth.

In summary, Mr. Speaker, Sir, Fiji's exports currently are tracking well and are contributing to our economic diversification which was at the forefront of our plans as can be seen with the agro commodities and our economic recovery.

Thank you for the opportunity to respond, Mr. Speaker, Sir.

HON. V. NATH.- Mr. Speaker, Sir, a supplementary question; while growing trade is critical for Fijian economy, can the honourable Minister inform Parliament on how we are ensuring Fiji's climate goals are being met?

HON. F.S. KOYA.- Mr. Speaker, Sir, I thank the honourable Member for his question.

Fiji's actual global leadership in climate change action is no secret to us and given our commitment to the full, effective and transparent implementation of the *Paris Agreement*, this is evident with our Climate Change Act 2021, which was gazetted on 24<sup>th</sup> September, 2021. It is actually a milestone achievement for us.

The Act creates a legal foundation to support our long term climate ambition and essentially, our sustainable development objectives and commitment to protecting our environment. Mr. Speaker, Sir, ensuring Fiji's climate goals are being met should not just be a sole responsibility of a particular organisation or person, it should be a shared responsibility and collaborative effort on all fronts.

By recognising the need to support the implementation of Fiji's climate goals, the Ministry of Commerce, Trade, Tourism and Transport is undertaking a range of climate change-related projects in collaboration with the Ministry of Economy's Climate Change and International Cooperation Division. In the interest of time, Mr. Speaker, Sir, I will just be brief and highlight some of the key climate change projects.

With respect to trade, Sir, it has a multifaceted impact on carbon emissions, which go beyond emissions from production and from transportation. However, trade can also play a pivotal role in climate action with the emergence of environmentally-friendly goods and technology to consumers, amongst other means.

Whilst acknowledging the nexus between trade, environmental and climate policy levers, Fiji is currently negotiating the Agreement on Climate Change, Trade and Sustainability (ACCTS), Sir, with five other countries, that is, New Zealand, Costa Rica, Norway, Iceland and Switzerland, and we envision more parties to actually join this initiative in the near future. This ACCTS is seen as an instrument through which the parties will encourage trade of environmental goods and services, whilst disciplining harmful fossil fuel subsidies and setting guidelines for voluntary eco-labelling programmes.

Unfortunately, Mr. Speaker, fish stocks and ocean ecosystems are on a decline in many parts of the world due to overfishing and the use of actually destructive techniques to fish, and it is not just the number of fish humans are taking out of the sea that is problematic, it is actually how we do it. For instance, the use of bottom trawl fishing ensures that a maximum number of fish is captured in the shortest amount of time but the method is actually hugely destructive as it destroys absolutely anything else in its path. So the harmful fisheries subsidies are a key contributor to not only over-fishing but also over-capacity and illegal, unreported and unregulated (IUU) fishing.

Fiji and WTO members are currently negotiating a fisheries subsidies agreement in which we aim to curb harmful fisheries subsidies that lead to access capacity, which may contribute to overfishing as well as those that support IUU fishing. The vast majority of fisheries subsidies, Mr. Speaker, Sir, are granted to large fleets, thereby, disproportionately benefitting big businesses and the knock-on impacts of this on small scale and artisanal fisheries which provide food source and employment in the fisheries sector, is actually massive.

Fiji has a very strong position in the WTO and we aim to ensure that trade is used as a vehicle to address fish sustainability issues and build our ocean resilience to address climate change. We can actually increase ocean resilience by ending overfishing and disruptive fishing techniques and in doing so, we also mitigate climate change. Overfishing of marine fisheries production are more vulnerable to ocean warming by compromising the resilience of many marine species to climate change and continued warming will hinder our efforts to rebuild the over-fished populations.

From a tourism perspective, Sir, we are taking climate ambitions across to all the particular sectors. We are currently working with Global Green Growth Institute (GGGI) and the International Finance Corporation (IFC) on a national sustainable tourism development framework, building on the Fijian Tourism 2021 Successive Plan.

We are working with IFC on a number of initiatives for a long term sustainable growth and, of course, for investments in the Fijian tourism industry. This includes the Vanua Levu Tourism Development Project and the COVID-19 Tourism Recovery Project. Those Projects intend to support destination development in Vanua Levu, Sir, by enabling the business environment as well as facilitating green private and public sector investments that create sustainable tourism.

We are also exploring the possibility of having a United Nations Educational, Scientific and Cultural Organization (UNESCO) Geopark in Fiji and the Pacific EcoTourism Recovery Initiative aims at a green and inclusive recovery through a tripartite partnership between the South Pacific Tourism Organisation (SPTO), the Pacific Community (SPC) and UNESCO. Fiji, as one of the four Pacific Island Countries selected under the initiative, will select the potential region to be included in the study, with the potential to further develop into a UNESCO Geopark.

From the transport perspective, Sir, we are actually committed to a carbon free domestic maritime sector around 2050, and we must continue our efforts towards a green and sustainable shipping sector.

(Hon. V.R. Gavoka interjected)

HON. F.S. KOYA.- If you don't like the information, don't listen to it. This is about Fiji, honourable Gavoka.

(Hon. V.R. Gavoka interjected)

MR. SPEAKER.- Order!

HON. F.S. KOYA.- Well, it is very important information. Maybe, paying attention might do you some good.

As Co-Chair, Mr. Speaker, of the Pacific Blue Shipping Partnership, we look to catalyse a multi-country transition to sustainable resilient and low carbon shipping. The Ministry, in consultation with MSAF, is currently working on the ratification of the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex XI and MARPOL is a Treaty aimed at preventing marine pollution caused by ships.

Mr. Speaker, Sir, quite recently, the Ministry led the initiation and hand-over of electric outboard engine boats at Nakalawaca Village in Tailevu. This initiative also is the first of its kind in Fiji and the Pacific, and is part of our commitment, as climate leaders, to transition to green shipping in order to ensure the marine industry's long term sustainability. These climate change-related projects are just a snapshot of many projects we have at the Ministry, and I hope it is informative to everyone in this Parliament, although it seems like it may not be to some, which is quite sad.

Progress of Fiji's Designated Marine Protected Areas  
(Question No. 109/2022)

HON. M.R. LEAWARE 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 progress to designate 30 percent of Fiji's marine areas as Marine Protected Areas according to the 5-Year National Development Plan?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Fiji, of course, is very fortunate to be blessed with large ocean spaces that exist within its territorial sovereignty. This includes the vast archipelagic waters and, of course, territorial seas. It is within these waters or areas of ocean, Fiji has the most important fisheries. This is because the ocean resources in inshore areas benefit all of Fiji citizens, provide for food security and play a large part in Fiji's vital tourism industry.

Covering about 1.3 million square kilometres of space, the health and sustainability of our ocean resources is inseparable from the health of our people. Prior to the strict enforcement on conservation practices that our Government introduced, Fiji's oceans have been continuously exploited for its non-renewable resources.

In 2020, Sir, while the world took COVID-19 as an excuse to shelve climate change priorities, Fiji, in fact, welcomed and aligned itself to the Global 30by30 Initiative launched by the Government of United Kingdom. The 30by30 Initiative is a collision of likeminded countries, who have placed the health of the ocean central to their climate change priorities, in order to allow the oceans to buffer anthropogenic impacts and conserve marine biodiversity.

Mr. Speaker, Sir, achieving our Marine Protected Area (MPA) target is no longer just a policy or global commitment by our Government but a legal requirement. Part 13, section 81(2) of Fiji's Climate Change Act puts into law the designation of 30 percent of our EEZ as MPAs by 2030.

Mr. Speaker, Sir, Government had the foresight to create a conducive environment to ensure the enforcement of climate ambitions and determine feasible and achievable long term targets and short term goals. Government, of course, has not limited itself to simple commitments, but has allocated significant resources and time to ensure the realisation of the 30 percent MPAs.

In 2021m the Ministry of Economy, along with the Ministry of Environment and the Ministry of Fisheries signed an MOU with the Blue Prosperity Coalition to operationalise the elements of our National Ocean Policy, particularly 100 percent sustainable management of our EEZ, of which 30 percent will be designated as MPAs.

Climate Change and International Co-operation Division of the Ministry of Economy, the secretariat of the National Ocean Policy Steering Committee, is spearheading this work with the Waitt Foundation to develop a 5-Year Work Programme to help achieve this plan.

Mr. Speaker, Sir, in addition, our Blue Bond Issuance earmarked for launch later this year also complements the delivery of this target. Through its Blue Investment Fund, the Fund acts as a lending vehicle to provide affordable blue debt to Non-Government Organisations (NGOs) interested in establishing and scaling sustainable blue projects ranging from tourism activities, focussing on MPAs to ocean-based renewable energy generation. Above all, the intention of Fiji's Blue Bond Issuance is underpinned by the need to support our Blue Post COVID-19 Recovery - one that reignites Fiji's fisheries sector, fortify Fiji's sustainable tourism brand and supports Fiji's ambition for a sustainable and healthy ocean.

In respect of the status of the MPAs in Fiji, Mr. Speaker, Sir, they have rapidly expanded in inshore areas. Approximately 78 percent of inshore areas are under some form of Locally Managed Marine Areas (LMMAs). Currently, there are only four gazetted MPAs within the inshore areas, while the rest are managed under the iTaukei traditional protocols of taboo areas. Overall the inshore MPAs are equivalent to 1.8 percent of Fijian waters, which means that Fiji will not be able to meet its 30 percent of MPA commitment from inshore areas alone.

Given existing management practices inshore, there is a need for a significant expansion towards Fiji's offshore waters outside of their *i qoliqoli* areas to cover the remaining 28.2 percent of the MPAs.

Mr. Speaker, Sir, in 2020, through a robust and systemic 10-step process approved by Cabinet, a draft map was presented and discussed in the first round of public consultations and made available for stakeholder review. The objectives of the consultations were as follows, to:

1. fulfil a Cabinet decision that was passed on 13<sup>th</sup> August, 2019, supporting consultations on the establishment of an MPA over 30 percent of Fijian waters;
2. introduce the MPA commitment and seek input on where the Fijian public would like to see MPAs and their preferred types of MPAs;
3. generate dialogue with stakeholders to secure endorsement and/or agree changes to draft map in the national candidate sites for the proposed offshore no-take MPA;
4. invite submissions to a draft network of offshore candidate MPA sites (when I say candidate I do not mean candidates running for Parliament, I mean candidates as in candidate sites); and
5. educate and inform the public on the proposed offshore MPAs.

The process was undertaken through technical representations and presentations, breakout group sessions, a tour of resources, looking at the details of the MPAs, along with the participants providing comments on the questionnaire forms provided.

Mr. Speaker, Sir, more consultations are being organised with a strategy to increase the sample size, as well as the diversity of the participants to better reflect the view of all Fijians. This includes focussed consultations with the fishing industry to look at means to establish complete no-take zones through an appropriate marine spatial planning, considering existing commercial rights. No-take zones basically means you do not take anything from within the zone itself, only outside of those zones. There are certain MPAs, Sir, as we have seen in other countries where you can take out only certain things.

Mr. Speaker, Sir, this proposes a second round of consultations to take place within May and June this year for possible announcement and update on commitments, in time for the next UN Ocean Conference to be held in Lisbon in late June 2022. In these next steps, Fiji will also need to develop an implementation plan to achieve this target by 2030, and raise interest with private sector investors and philanthropies towards sustainable financing to meet the enforcement and management of these MPAs, given our vast ocean space.

Maritime Security Initiatives – Fijian Navy  
(Question No. 110/2022)

HON. G. VEGNATHAN asked the Government, upon notice:

Can the honourable Minister Defence, National Security and Policing, Rural and Maritime Development and Disaster Management update Parliament on some of the Maritime Security Initiatives conducted by the Naval Unit of the Republic of Fiji Military Forces?

HON. LT. COL. I.B. SERUIRATU.- I rise to respond to Parliamentary Question No. 110 of 2022 raised by the Honourable George Vegnathan and I thank him for raising this very important question.

Mr. Speaker, the RFMF Naval Division is responsible for the surveillance of Fiji's 1.3 million square kilometres of Exclusive Economic Zone (EEZ). This is achieved through:

1. monitoring and coordinating of maritime search and rescue operations for Fiji and our regional search and rescue area of responsibility;

2. ensuring the consistent operation of the critical Suva 3DP Coastal Radio Station; and
3. the conduct of hydrographic surveys and hydrographic services for the thousands of mariners who traverse Fiji's waters, amongst other maritime security initiatives.

Mr. Speaker, Sir, these maritime security roles and initiatives are critical services to Fiji's blue economy, our overall maritime safety and wellbeing and equally important our responsibility as a coastal State in order to fulfil our international obligations under various international and regional conventions.

Mr. Speaker, Sir, in responding to the question by the honourable Member, I wish to express that the maritime security initiatives currently being implemented by the Republic of Fiji Navy are designed to combat transnational crime including trafficking of drugs, human trafficking and illegal, unreported and unregulated (IUU) fishing as well as emerging threats to the region.

The Fiji Navy enhances its support to border security agencies in the space of combatting transnational crime through information sharing and resource support. For cases of interest, its increased and meaningful collaboration with partner agencies, has resulted in the successful apprehension of two foreign vessels since January, 2022. In addition, for the year 2021, the Republic of Fiji Navy fleet successfully conducted 89 boarding of vessels of which 19 were joint operations with regional partners who provided support in terms of aerial surveillance or at sea boarding.

Mr. Speaker, Sir, moreover our enhanced support to local partner agencies have been enabled through strengthening collaboration with our regional and defence cooperation partners for greater maritime domain awareness through information sharing, improved platforms and capacity-building at the Fiji Maritime Surveillance Rescue Coordination Centre and I am sure that some Committee Members have already visited this facility. Mr. Speaker, the RFMF's naval division continues to develop information sharing mechanisms whilst maturing with technological advancements to support the synthesising and assessing of maritime security threats based on a holistic view of the maritime domain. This is done to prioritise where to focus our limited maritime assets.

Mr. Speaker, Sir, this will continue to develop as the Republic of Fiji Navy prepares for the launch and opening of the Maritime Essential Services Centre in 2024 and beyond - a project that we are pleased to undertake with our *Vuvale* partner as I did highlight yesterday here in this august House, Mr. Speaker, Sir.

Mr. Speaker, the Naval Division continues to also build on existing Navy partner Shiprider Agreements as evident in the recent signing of the Shiprider Agreement between the UK and Fiji. Essentially, this allows our Navy personnel to embark and board royal navy ships to conduct joint maritime security patrols within Fiji's EEZ, supplementing the patrols conducted by the Republic of Fiji Navy Ships.

For the information of the honourable Members, Mr. Speaker, Sir, we have signed the Shiprider Agreements with the US, the UK, with Australia and, of course, with New Zealand. So what happens when vessels, naval ships or even the American Coast Guard Cutters, when they come to Fiji, we have our people on board and they do patrol our waters as well with the other partners of ours.

Additionally, our Naval Division continues to formalise technical agreements and operational frameworks that encompass cross-border support, capacity-building, information-sharing and development around search and rescue particularly with the New Zealand and Fiji Agreement signed in 2021.

Mr. Speaker, Sir, we are also continuing efforts for the signing of agreements with regional rescue coordination centres that manage areas bordering the Fiji search and rescue region which is an area of about 6.5 million square kilometres which is almost six times higher than Fiji's EEZ of 1.3 million square kilometres.

In conclusion Sir, I wish to highlight some search and rescue statistics. For the year 2021, the Rescue Coordination Centre coordinated a total of 53 search and rescue cases, resulting in 147 lives rescued and sadly 15 lives were lost. For the year 2022, the Rescue Coordination Centre has so far already coordinated 25 search and rescue cases.

Whilst it may be non-traditional maritime security aspect, search and rescue allows for purchasing distress out at sea to have the right to receive humanitarian assistance in protection of life and the right to personal protection and security.

Update on the Golden Age Home Facility  
(Question No. 111/2022)

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

Can the honourable Minister for Women, Children and Poverty Alleviation update Parliament on the condition of the Golden Age Home facility at Lautoka?

HON. R.S. AKBAR.- I thank the honourable Member for the question.

Mr. Speaker, Sir, the question is talking about the condition of the Golden Age Home and I assume that the honourable Member is talking about the structure of the Golden Age Home.

As way of background, the Ministry of Women, Children and Poverty Alleviation six years ago took charge of the three residential homes in Fiji, the Golden Age Home in Lautoka, Golden Age Home in Labasa and Golden Age Home in Samabula. Before that, the Homes were under the Ministry of Health and Medical Services.

As for the Golden Age Home in Lautoka, this Home was built in the 1940s and served as a primary school. In 1960, it was handed over to Government to serve as a residential home for our senior citizens. We would not be talking about this situation if our families were more responsible and if our families took care of their own elderly family members.

Nevertheless, Government has taken care of the senior citizens who have sought refuge in our three homes and in case of Lautoka, I agree with you that the condition of the home is sort of deteriorating because it is a very old structure, but we have not compromised the quality of care that we give out to our senior citizens.

The Ministry of Women, Children and Poverty Alleviation has been lucky that we have had three successful capital projects in the form of Golden Age Home in Labasa. Approximately, \$4 million project is on the verge of completion and we are awaiting the completion certificate. We also had the Western Disability Centre that came at a cost of \$1 million which is completed and we are now in the progressive stage of completing the Barefoot College which also comes at the cost of around \$4.3 million. Next on our priority list is a new Golden Age Home facility for our residents in the Western Division and this, we will apply through the normal budgetary process.

Some years ago, the Construction and Implementation Unit of the Ministry of Economy did a scoping for renovation works. The building is not in a condition whereby we can inject more money



to carry out renovations, it is very old, but like I said, I can assure the Parliament the quality of service is up to par. We have engaged more carers and currently we have 43 out of the total of 119 residents that we have.

Investment and Support to Counter Ruck Pte Limited  
(Question No. 112/2022)

HON. J.N. NAND 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 investment and support provided to Counter Ruck Pte Limited which owns and operates the Fijian Drua?

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

Mr. Speaker, Sir, as highlighted in Parliament, Government has supported the Drua Rugby Team which is owned by the Counter Ruck Pte Limited (CRL). I think a lot of people may actually want to ask the question - why is it owned by a private company?

Mr. Speaker, Sir, the New Zealand Rugby Union which is actually the one that is heading or set up the Super Rugby Pacific Competition had a number of conditions. They did not want the Super Rugby Team (which is part of this competition), to be handled by the Rugby Union of that particular country itself. They wanted it as a separate entity, so they want a creation of an independent entity and, of course, Mr. Speaker, Sir, as a result of that, Counter Ruck Pte Limited was created.

Mr. Speaker, Sir, one of the conditions is, it requires a minimum of NZ\$3 million equity or debt but to have that type of money. Also, maintenance of a million dollars at all times cash at hand, Sir, which is the requirement; a robust business model of delivering efficient financial returns so as to attract the necessary private equity participation and to sustain the team. Of course, Mr. Speaker, Sir, in addition to the financial matters, a range of high performance and team performance KPIs were also in place.

The rationale, of course, as I have said, Mr. Speaker, Sir, was to set up a separate private company, to keep the financial affairs of the Rugby Union away from the team that is going to participate in the Super Rugby Competition, Sir, because of any financial failures that may occur because these competitions are extremely expensive, and if it is going to put additional burden to the Rugby Union, we could have the entire structure within that individual country collapse. That is why they have to keep that as separate entities.

Mr. Speaker, Sir, when we were approached, we were asked by Counter Ruck to give a grant. We could not give a grant because Government cannot give a grant to a private company that is 100 percent privately-owned because obviously, taxpayers' funds are involved.

Mr. Speaker, Sir, we said we could not, then we as Government came up with a solution. We said, "We recognise that Drua is very important to the Fijian public, of course, it is very important for us. We also saw the economic advantage in terms of the competition and how Fiji, of course, is going to be the home base for Drua, at least, not now but later on it will be, we saw the economic benefits and we also know that rugby is a very, very important part of our national psyche. So, we then said that we could become an equity holder. In that way we could actually give the \$6 million but in return, get shares for it, as we do in other companies, Sir, which is what we have done and as

a result of which we will get 51 percent of Counter Ruck. We have already disbursed \$3 million, the second lot of \$3 million will be disbursed by December of this year.

Mr. Speaker, Sir, the idea is that, Drua becomes a formidable team, develops a good brand and as a result of the brand, we have got the Fijian diaspora in Australia and New Zealand and various other parts of the world. We have also seen that with just one game being played in Suva, the number of people that turned up. And if you read all the social media comments, not just from Fiji but from New Zealand and Australia, how they were commenting that the droves in which the Fijian public turned up, they wish they could get those kind of numbers when they play in Australia and New Zealand.

The merchandise sales of course, Mr. Speaker, Sir, went through the roof so these are ways that they make money. Government has also granted a 13-year income tax holiday, we provide a waiver of duties, et cetera, on the goods specifically imported for Fijian Drua purposes.

We have said, Sir, that in time to come, Government could, of course, divest its shares, get back its money, but what we would have done would have had the Drua Team up and running and a good company will be running it too. Thank you, Sir.

HON. RO F. TUISAWAU.- A supplementary question, Mr. Speaker, Sir: We have heard positive things about the Drua and also the Fijiana Drua. My question is, how can they be factored into this setup or may be going into the future given their profile right now and the successes of the Fijiana Drua.

HON. A. SAYED-KHAIYUM.- They carried the name 'Drua' so they are part of the franchise.

HON. RO F. TUISAWAU.- Of its benefits?

HON. A. SAYED-KHAIYUM.- Yes, they are part of the franchise.

MR. SPEAKER.- Honourable Members, that brings to an end question time and question time is now over.

Honourable Members, it also brings us to the end of the sitting for today. I thank you all for your cooperation and your forbearance. Parliament is now adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 5.30 p.m.