

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

TUESDAY, 30TH AUGUST, 2022

[CORRECTED COPY]

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TUESDAY, 30TH AUGUST, 2022

The Parliament met at 9.30 a.m. pursuant to adjournment.

MR. SPEAKER took the Chair and read the Prayer.

PRESENT

All Members were present, except the honourable Minister for Women, Children and Poverty Alleviation; the honourable Minister for Fisheries; the honourable Ro T.V. Kupa; the honourable Lt. Col. P. Tikoduadua and the honourable Adi L. Qionibaravi.

MINUTES

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

That the Minutes of the sitting of Parliament held on Monday, 29th August, 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

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

PRESENTATION OF REPORTS OF COMMITTEES

Review Report - Fiji Public Trustee Corporation Pte Limited 2018-2019 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the report of the Standing Committee on Social Affairs on the Annual Review of the Fiji Public Trustee Corporation Pte Limited (FPTCL) for 2018 and 2019.

This review was undertaken in accordance with Standing Order 109(2)(b) which mandates the Committee to look into issues related to health, education, social services, labour, culture and media. The Committee first met to deliberate in May of this year and formulated questions pertaining to the Annual Reports, which were sent to FPTCL for its responses. Upon receipt of all relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its report in June.

Some of the key highlights of the Corporation as at 31st December, 2019 were as follows:

1. Total value of Estates stood at \$67.1 million. In 2019, 58 new estates were accepted and valued at \$7.8 million.
2. 4,293 Wills were registered of which 290 were drafted and 55 executed in 2019.
3. Total value of Trusts stood at \$13 million. In 2019, 66 new trusts were accepted and valued at \$66,000.

4. Corporation had a Net Value of \$17 million.
5. 6,861 Trusts were administered.
6. There were a total of 1,895 Deceased Estates with over 11,000 beneficiaries.
7. The Corporation had a total of 30 Permanent Staff of which, 65 percent were female and 35 percent were male.
8. Partnerships were signed with Telecom Fiji Limited and Fiji Revenue and Customs Service.
9. Eight Charities were assisted with a value of \$130,000.

At this juncture, I wish to thank the Chief Executive Officer of Fiji Public Trustee Corporation Pte Limited, Mr Atonio Takala, and his staff for their timely assistance in this review process.

I also extend my gratitude to my Committee colleagues namely honourable George Vegnathan (Deputy Chairperson), honourable Alipate Nagata, honourable Salote Radrodro and honourable Ratu Tevita Navurelevu who substituted for 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, I beg to second the motion.

Question put.

Motion agreed to.

Review Report – Fiji Corrections Service Annual Report 2017-2018

HON. A.A. MAHARAJ.- Mr Speaker, Sir, by way of a brief background, the Fiji Corrections Service 2017-2018 Annual Report was referred to the Standing Committee on Justice, Law and Human Rights to provide an oversight review of the Annual Report and table its findings back to Parliament.

Mr. Speaker, Sir, the Fiji Corrections Service Annual Report 2017-2018 covers information on the type of work carried out and the significant target it has achieved within the reported year. The Annual Report also highlights the work undertaken by Fiji Corrections Service in order to fulfil its mandate under the 2013 Constitution of the Republic of Fiji and the Corrections Service Act 2006 which is to serve the public by keeping in custody those convicted by the courts and providing effective corrective and rehabilitation services, whilst applying the relevant human rights obligation and standards.

Mr. Speaker, Sir, from the review, there were few key issues identified which the Committee is obligated to present before this august Parliament. The first issue I would like to highlight is the rate of recidivism recorded by the Fiji Corrections Service. This is one key area of focus for the Fiji Corrections Service in terms of trying to reduce the rate of re-offenders. The Committee saw that

this would be an opportune time to understand the Service's efforts in working towards the National Development Plan of achieving the three percent threshold of reducing reoffenders annually. The Committee notes that the Fiji Corrections Service has made progressive steps which saw the rate of reoffenders decline for the periods 2016-2017 to 2017-2018. This provides a positive indication that the strategies put in place by the Fiji Corrections Services are being implemented effectively.

Mr. Speaker, Sir, further to this the Committee acknowledges the numerous Rehabilitation Programmes implemented by the Fiji Corrections Services which includes the "Yellow Ribbon Project". It would be worth noting that the implication of these programmes have impacted the lives of inmates in their transition back to the community. The Yellow Ribbon Project was evidently seen to have a leading role in creating awareness and educating the public on the roles and responsibilities on taking ownership of ex-offenders once they complete their sentence.

Mr. Speaker, Sir, another significant issue is the number of staff turnover which occurred within the reported year. The Committee noted that the Fiji Corrections Service had engaged a substantial amount of staff to man what is called the *Musudovu* Operation for a short period. The length of the contract for these temporary staff were entirely dependent on the harvesting season of sugarcane, and once the task is completed the contract of these temporary officers are terminated at the end of the cutting season. This added to the high turnover rate for the reported year. Also included in the number of staff turnover, are the retirements, resignations and dismissals.

Mr. Speaker, Sir, the Committee also noted that the Fiji Corrections Service has endeavoured not to let the staff turnover affect its service delivery and their main aim of achieving the international benchmark of one correction officer per five inmates.

Furthermore, the Committee also took time to deliberate on the financial statement of Fiji Corrections Service and noted that during the review of the Annual Report, the Fiji Corrections Service had utilised a total of 81 percent of its budget allocated for the fiscal year. It was noted that the unutilised coverage of the expenditure was a result of some pending projects that were yet to be completed in due time. There were certain discrepancies also identified in the Services' Annual Financial Statement.

The Committee was advised that the discrepancy was merely caused by the different types of financial statements published whereby Fiji Corrections Service publishes audited financial statement but the budget documents, especially the estimates, shows an unaudited financial budget.

Mr. Speaker, Sir, the Committee also undertook a scrutiny of the Annual Report using a gender lens and it was encouraging to note that Fiji Corrections Service is committed to implementation of gender neutral and non-discriminatory policies including those that relate to staffing. At the end of the review, the Committee noted and acknowledged that the Fiji Corrections Service has achieved so much in the 2017- 2018 period. However, the Committee also believed that for the continued improvement in service delivery, it would be prudent to put forth a few recommendations for consideration by Fiji Corrections Service and these are as follows:

- The Committee appreciated the fact that there was a high number of staff turnover but acknowledges Fiji Corrections Service for trying to ensure that service delivery was maintained, which is in par with international standards. The Committee also recommends that Fiji Corrections Service does a thorough review of its human resource policies and plans, and develops strategies to build the capacity of their staff and retain them in the Services.
- The Committee appreciated the fact that there was a high number of staff turnover but

acknowledges Fiji Corrections Service for trying to ensure that service delivery was maintained, which is in par with international standards. The Committee also recommends that Fiji Corrections Service does a thorough review of its human resource policies and plans, and develops strategies to build the capacity of their staff and retain them in the Services.

- In terms of the discrepancies identified in the Financial Statements of the Fiji Corrections Service, the Committee recommends that more collaboration is needed between the Fiji Corrections Service, the Ministry of Economy and the Office of the Auditor-General, to strengthen the financial management system and ensure that there are minimal serious discrepancies in future reported financial statements.

With those few words, Mr. Speaker, Sir, I would like to acknowledge the honourable Members of the Standing Committee on Justice, Law and Human Rights, namely honourable Rohit Sharma (Deputy Chairperson), honourable Mosese Bilitavu, honourable Dr. Salik Govind, honourable Mikaele Leawere and former Member, Ratu Suliano Matanitobua for their deliberations and input, and the alternate members who made themselves available when the substantive members could not attend, and the secretariat for their support. I also acknowledge the representatives of Fiji Corrections Service and the Commissioner who cooperated and assisted the Committee with its work.

(Report handed to Secretary General)

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

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

HON. R.R. SHARMA.- Mr. Speaker, Sir, I second the motion.

Question put.

Motion agreed to.

Review Report - iTaukei Trust Fund Board 2019 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the report of the Standing Committee on Social Affairs on the Annual Review of the iTaukei Trust Fund Board (TTFB) for 2019.

This review was undertaken in accordance with Standing Order 109(2)(b) which mandates the committee to look into issues related to health, education, social services, labour, culture and media. The committee first met to deliberate in May of this year and formulated questions pertaining to the Annual Reports, which were sent to FPTCL 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 June.

In the course of our deliberations, several pertinent findings were made. We note that the board made significant inroads in both organisational strategic direction and development. It achieved a gross revenue of \$8,095,992 and a net profit from operations of \$1,438,770 for 2019, compared to \$3,984,876 in 2018. The decrease in profit was attributed to the written-down value of the burnt *Vale ni Bose*.

Furthermore, the Fund launched its Strategic Development Plan (2019-2023), which outlines five priority areas, which are Prudent Financial Sustainability, Language, Culture and Heritage, Communication, Leadership, Entrepreneurial and Business Skills and Human Capital Management. It was also pleasing to note that the Fund's investments continued to satisfactorily grow during the year, with its investment portfolio continuing to generate positive returns in funding the mandated objectives for the Fund.

At this juncture, I wish to thank the Chief Executive Officer of iTaukei Trust Fund Board and his staff for their timely assistance in this review process. I also extend my gratitude to my Committee colleagues namely, honourable George Vegnathan (Deputy Chairperson), honourable Alipate Nagata, honourable Salote Radrodro and honourable Ratu Tevita Navurelevu who substituted for 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, Sir, pursuant to Standing Order 121(5), I hereby move:

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

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

Question put.

Motion agreed to.

Review Report – Fiji Rice 2013-2017 Annual Reports

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs is pleased to submit to Parliament the Review Report of the Fiji Rice 2013-2017 Annual Reports. The Fiji Rice Limited was first established as Rewa Rice Limited in the early 1960s before going through a name change. The Executives of Fiji Rice Limited were invited to produce a submission to the Committee during the key achievements and challenges during the period under review were discussed.

The Committee recommended that Fiji Rice Limited, in full consultation with the key stakeholders such as the Ministry of Agriculture to formulate a comprehensive Strategic Plan to align it with the Ministry's Commodity Development Plan. The Committee believes that when marketing Fiji grown rice, the industry in collaboration with relevant stakeholders could promote brown rice as it is known for its rich source of dietary fibre, which can reduce risk of non-communicable diseases.

Furthermore, it was noted that there is an issue of aging farmers as the younger generation are not as willing to take up rice farming. The Committee in its recommendations stated the need for stakeholders to work together to develop initiatives, policies and a conducive environment to make rice farming a more lucrative career choice.

I would like to take this opportunity to extend our appreciation to the CEO of Fiji Rice Limited

and his team members as well as the representatives from the Ministry of Agriculture for making time to present before the Committee.

Finally, I would like to thank our Committee Members who were part of the team that produced this Report - honourable Veena Bhatnagar (Deputy Chairperson), honourable Sachida Nand, honourable Inosi Kuridrani and honourable Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the review of the Fiji Rice 2013-2017 Annual Reports to Parliament.

(Report handed to the Secretary-General)

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

Question put.

Motion agreed to.

Review Report – Fiji National University 2020 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the annual review of the Fiji National University for 2020.

This review was undertaken in accordance with Standing Order 109(2)(b) which mandates the Committee to look into issues related to health, education, social services, labour, culture and media. The Committee first met to deliberate in May of this year and formulated questions pertaining to the Annual Report, which were sent to FNU 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 June.

Mr. Speaker, Sir, FNU is a dual sector university, offering Technical and Vocational Education and Training (TVET) from Levels 1 to 6 and Higher Education from Levels 5 to 10. The University recorded operating surplus for the year, achieving an operating surplus of \$7.4 million compared to \$6.1 million deficit in 2019. The University has undertaken a major upgrade of its digital infrastructure, which enabled it to make a speedy transition to fully online learning at the onset of the COVID-19 pandemic. Across the University's Campuses, there is also extensive building and renovation work underway as the University transforms its Campuses to meet the needs of 21st Century students.

Mr. Speaker, Sir, FNU is an institution committed to investing in its staff. In 2020, the University had a full-time staff body of 785 academic staff and 1,016 professional services staff. In terms of overall staffing, the University is relatively evenly balanced between men and women. The Committee acknowledges FNU's commitment to the improvement of female participation in the science colleges and to promoting the advancement of women in their academic careers and has launched a series of initiatives to address gender imbalances.

Finally, I thank Dr. William May who was the Acting Vice-Chancellor of FNU at the time of the Committee's inquiry, and his staff for their timely assistance in the review process. I also extend my gratitude to my Committee colleagues, namely honourable George Vegnathan (Deputy Chairperson), honourable Alipate Nagata, honourable Salote Radrodro and honourable Ratu Tevita Navurelevu who substituted for 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 honourable Members of this august Parliament to take note of the Report.

(Report handed to the Secretary-General)

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

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

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

Question put.

Motion agreed to.

Review Report – Performance Audit on Licensing and Monitoring
of River Gravel and Sand Extraction

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, this Report provides the Committee's review findings on the performance audit on the Licencing and Monitoring of River Gravel and Sand Extraction. The Report focuses on three areas, namely:

1. Assessment of potential river gravel and sand extraction site;
2. Licencing system and extracting river gravel and sand; and
3. Monitoring of extraction operations.

Fiji's 5-Year and 20-Year National Development Plans express the need to revise and update the monitoring and evaluation of mining and quarrying operations for better oversight in areas such as environmental safeguards. Development of minerals play a major role in Fiji's domestic development, especially in the areas of infrastructure, construction of buildings, road construction, agriculture, disaster reconstruction, as well as supporting a large number of Fijian small and medium-sized domestic enterprises.

The primary objective of the audit that was carried out by the Office of the Auditor-General was to determine whether the Ministry of Lands and Mineral Resources effectively regulates the river gravel and sand extractions through a proper system of contracting, licensing and monitoring in order to ensure good governance and sustainable development in the sector.

Mr. Speaker, Sir, river gravel and sand extractions falls under the extractive industries sector in Fiji, in addition to mining, petroleum, hard rock quarrying and ground water resource extractions. Extractive industries consist of any operations that remove oil, gas, metals, minerals and aggregates from the earth and or sea. The seven steps of extractive industries value chain includes; legal framework, resource exploration, awarding of contracts and licenses, monitoring of operations, collection of revenue, resource management and the implementation of sustainable policies. The

mining and quarrying of development minerals in Fiji are dominated by crushed aggregate, gravel and sand, used for construction materials, and to lesser extent limestone, used for agricultural purposes.

Mr. Speaker, Sir, information on potential river gravel and sand extraction sites can be further improved through the development of a centralised database. Moreover, while the Ministry of Lands and Mineral Resources (MLMR) compliance with the licencing system for river gravel and sand extractions is fair or moderate, the quality of decision is an area of concern due to gaps in the SOPs, which is compounded by the absence of a structured and thorough review process, inadequate data maintenance, inconsistent application of pivotal work processes, and the substandard quality of information being provided based on which decisions are made.

Furthermore, the Ministry's established monitoring processes have not been able to prevent issues arising from river gravel and sand extractions because of a weak penalty system on offenders, which does not act as a deterrent, not taking full advantage of available technologies and inconsistent monitoring of works carried out.

Mr. Speaker, Sir, in view of the above findings, the Committee recommends that:

1. The Committee notes the gender parity in the Senior Management of the Ministry of Lands and Mineral Resources and commends the Ministry for fulfilling SDG 5 - Gender Equality.
2. The MLMR to transform manual record keeping to electronic centralised database system for all rivers, streams and resources.
3. The current fees levied by the Ministry needs to be reviewed and brought on par to what is being paid by the extractors of river gravel on *iTaukei* land.
4. The MLMR should consider digital technologies for monitoring purposes such as drones.
5. The MLMR in conjunction with *iTaukei* Lands and Fisheries Commission should conduct regular training and workshop on financial literacy and resource management for resource owners.
6. The MLMR should carry out awareness programmes with landowners on the impact of river gravel and sand extraction to the environment, targeting SDG 15 – Life on Land.
7. The MLMR should expedite the finalisation of the two manuals, namely the River Gravel Extraction Guideline and the National Development Mineral Policy Guideline that are yet to be finalised.

Most importantly, Mr. Speaker, while phasing-out of river gravel and sand extractions is blurred, improvements in the areas of geological exploration or similar surveys, licensing and monitoring need to be actioned by the Ministry of Lands and Mineral Resources with more consultations and collaboration between the Ministry and other relevant stakeholders in order to ensure the safeguarding of the environment and the society. Overall, we commend the work of the Ministry of Land and Mineral Resources in addressing majority of the issues that were highlighted in the audit.

Mr. Speaker, Sir, in view of the above findings and recommendations by the Committee, I wish to also shed some light into some of the areas of improvements that the Ministry of Lands and Mineral Resources has thus far taken into consideration and we acknowledge the efforts shown –

1. The Ministry is currently focusing on finalising a proper work plan of the actual work required, including resources and capacity prior to seeking funding to start with collection of relevant data thereafter it will develop a database.
2. The Ministry is currently working on a Cabinet Paper for the formulation of a National

Development Mineral Policy.

3. Drafting of the River Extraction Guideline has been formulated and currently with the Office of the Solicitor-General for vetting. This will address the issue of sustainable extraction practices and processes in place for issuing of river gravel and sand extraction licences.
4. The Ministry's SOP on extraction licences for sand, lime and common-stone was reviewed and adopted since 26th February, 2021.
5. The Divisions are now coordinating the collection and management of data at divisional level with a designated officer at the headquarters being responsible for the consolidation of all data received from the three (3) Divisions.
6. The Divisional Managers and responsible processing officers have been instructed to ensure full compliance of the procedural guidance.

I wish to extend my appreciation to the honourable Members of the Committee who were part of the successful compilation of this bipartisan Report namely honourable Joseph Nitya Nand (Deputy Chairperson), honourable Ro Teimumu Kepa, honourable Virendra Lal and honourable Aseri Radrodro. With those few words, I submit the Report to Parliament.

(Report handed to the Secretary-General)

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

Question put.

Motion agreed to.

CONSOLIDATED REVIEW REPORT – RESERVE BANK OF FIJI 2018-2021 ANNUAL REPORT

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

That Parliament debates the Consolidated Review Report of Reserve Bank of Fiji 2018-2019, 2019-2020 and 2020-2021 Annual Reports which was tabled on 6th April, 2022.

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

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs tabled the Consolidated Review Report of the Reserve Bank of Fiji 2018-2019, 2019-2020 and 2020-2021 Annual Reports in April 2022. While the 2018-2019 period was business as usual for the Reserve Bank of Fiji (RBF), the year 2020 brought its own unique challenges due to various factors, one of which was the trade tension between USA and China during the first-half of the financial year and the other, as we all are aware, Fiji being hit by COVID-19 during the second-half.

Like many other countries, Fiji too had to face the brunt of the pandemic as global economic activity had duelled significantly. Proactive measures were taken by the Fijian Government to avoid the outbreak and our borders closing around the globe. The number of inbound tourists dramatically dropped which led to the negative economic ramification in the country. The Reserve Bank of Fiji was very efficient in introducing various policies during the 2019-2020 and 2020-2021 period to mitigate the economic impact of COVID-19 and commended the bank for its swift action. This was commended by the Committee as the role of RBF was very crucial and its timely effort in dealing with the repercussion of the pandemic was appreciated.

The Committee noted the shift towards digital method of transactions which was triggered by COVID-19 restrictions with more people using services such as M-PAiSA and internet banking. People living abroad use mobile money services to send money to relatives living in Fiji, which contribute to the significant increase in remittance. While the Committee appreciates the shift towards cashless transactions, it was also recommended for RBF to continue working with the key stakeholders such as Fiji Financial Intelligence Unit (FFIU) to strengthen the cybercrime capabilities.

The havoc caused by COVID-19 pandemic was also an opportunity to explore other prospects one being the huge potential of business process outsourcing and many benefits Fiji can gain with more international business outsourcing their services to Fiji. The Committee commended the overall performance of RBF during the period under review especially given the various challenges due to the pandemic.

The Committee understands that a lot of work and effort will go towards Fiji's economic recovery and that RBF will play a crucial role through the various policies. With these few words Mr. Speaker, Sir, I open the floor for debate.

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

HON. PROF. B.C. PRASAD.- Mr. Speaker Sir, before I speak on the motion and the Report itself, I want to pay tribute to Justice Jai Ram Reddy.

Mr. Speaker Sir, it is with deep sorrow that we have learned of the death in Auckland last night of Justice Jai Ram Reddy who twice led the National Federation Party between 1977 and 1999 and served as Fiji's longest serving leader of the Opposition.

Mr. Reddy was 85 years old, an accomplished lawyer and brilliant public speaker. Justice Reddy was the acknowledged leader of Fiji's Indo-Fijian community during its most difficult and challenging period after independence. His pursuit of reconciliation and tolerance with Mr. Sitiveni Rabuka in the post 1987 coup period led to the ground breaking 1997 Constitution cementing him into Fiji's history as one of our most important national leaders.

Justice Jai Ram Reddy's, Mr. Speaker, electoral partnership with Mr. Sitiveni Rabuka in 1999 was unsuccessful - rejected by the voters. He then embarked on his next career as a Judge: first as President of the Fiji Court of Appeal and later as a member of the International Criminal Tribunal for Rwanda sitting in judgement on the horrors of the genocide that had taken place in that country.

Justice Jai Ram Reddy was a man of his times but also one who understood and influenced history. From his earliest time in politics he understood the importance of deep understanding and cooperation between Fiji's two main ethnic communities. He fought hard for his NFP constituency, farmers, workers and the Indo-Fijian community but always with an eye on the future.

Justice Jai Ram Reddy understood that the security of Indo-Fijians lay in a deeper and more

meaningful relationship with Fiji's indigenous people. He worked all his political career to pursue it often in times of division and misunderstanding.

Justice Jai Ram Reddy was the Attorney-General in Dr. Timoci Bavadra's short lived government in 1987 driven from office by the military. He fought passionately to protect those who suffered from the *coup* and its aftermath. He reluctantly returned to politics in the 1992-1994 Elections but always with the view to bridge building and reconciliation. His engagement with Prime Minister Rabuka in that period laid the foundations for a deepening of democracy and cooperation between people of all races and faiths in our country.

Mr. Speaker, Sir, he was the first Indo-Fijian leader to address the Great Council of Chiefs at Mr. Rabuka's invitation. He travelled with Mr. Rabuka to the Commonwealth Heads of Government Meeting in London in 1997 where Mr. Rabuka invited him to speak for Fiji in Mr. Rabuka's place, while many around, he nursed the 1987 grievances. Justice Reddy understood that it was necessary to move forward always remembering the past and the lessons it could teach us.

The 1999 political partnership between NFP and SVT did not resonate with voters. They lost that election. The reasons for this are now a part of our history but this was the lost opportunity and event that led to the 2000 *coup* and its consequences. Fiji still feel these consequences today. It was at that point that Mr. Jai Ram Reddy as he then was decided that he had served his time in history and chose to return to the law this time as a judge.

Justice Jai Ram Reddy, Mr. Speaker, is a towering figure in Fiji's history. Like NFP's founder leader Mr. Ambalal Dahyabhai Patel and Mr. Siddiq Moidin Koya it is remarkable that he is remembered for his time in Opposition not in Government. In that way he proved the importance of leadership and vision over the narrow objects of political contests. He had a vision for the next generation not for the next election. He was deeply committed to democracy, the rule of law and the politics of dialogue and cooperation. Because of his leadership NFP moved with the times become a party with the national outlook, increasing his representation in the *iTaukei* community and his advocacy of issues important to Fiji's people.

Justice Jai Ram Reddy's life is a reminder of what politics and leadership in Fiji should be. We, in the NFP, are committed to the vision he stood for and to bring back the values he always fought for. We want his work and sacrifice for others to be meaningful and to bear fruit in a generation of leadership. May his soul rest in eternal peace.

HON. MEMBERS.- Hear, hear!

HON. PROF. B.C. PRASAD.- Thank you. Mr. Speaker, Sir. Let me talk on the Report itself. This is a very significant Report because it deals with the Years 2018-2019, 2019-2020 and 2020-2021.

Mr. Speaker, Sir, this is a period in which we can reflect on Government's economic performance. If you look at the 2018-2019 Budget; pre-Elections budget some of the policies whether it was the tax policy or the expenditure policy, the Government went berserk, and they went on a spending spree before the Elections. Essentially, it was reckless vote buying budget and expenditure.

In 2019 we came up with a negative growth, the country's economy had contracted. There were signs of stress within the economy, our debts were increasing then we got hit by the COVID-19 pandemic. When that pandemic hit us, we as a country did not have the fiscal or what we call the

'budgetary space' to deal with the massive issue of loss of income through loss of employment and incomes generally.

What stood out at that point in time in 2020 and 2021 of course is the role of the remittances. I have never had any of those guys sitting on the other side actually acknowledge how the remittances played such an important role. They do not understand Mr. Speaker, Sir, they say a lot of things. They know what I meant.

(Chorus of "Noes")

HON. PROF. B.C. PRASAD.- Let me come back to that point, Mr. Speaker, Sir. I know they do not like what I am going to say. No one from that side in Parliament ever acknowledged the role of remittances in 2020 and 2021.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- In fact Mr. Speaker, Sir, the mismanagement of the economy had put this country into a serious and deep hole.

HON. DR. I. WAQAINABETE.- A Point of Order! The honourable Member has said that we have never acknowledged. We have acknowledged so many times.

HON. A. SAYED-KHAIYUM.- So many times.

HON. DR. I. WAQAINABETE.- In addition this is the Government that has actually helped get remittances by getting Fijians overseas the Fijians that these people said are emptying the villages and you talk like that. M-PAiSA: this is the Government that made it easier for our Fijians overseas to be able to send money back home. I say it because I have relatives overseas who send money back home.

HON. PROF. B.C. PRASAD.- This man who made the Point of order Mr. Speaker, Sir, as I said before, he is the worst Minister for Health ever in this country. Under his leadership, we have the worst health services in this country today Mr. Speaker, Sir.

HON. DR. I. WAQAINABETE.- A Point of Order. I can say many things about you, but I will not lower my level to your level.

HON. PROF. B.C. PRASAD.- The point I was making Mr. Speaker, Sir, is that our economy had already contracted in 2019. The Government was in no position to deal with these massive losses of income through unemployment, loss of income, small businesses and so forth. What did help us and I think the Reserve Bank of Fiji (RBF) acknowledges, is the level of remittances. In 2020, Mr. Speaker, Sir, we received about \$652 million. In 2021 it was more than \$800 million, we received a total of about \$1.5 million coupled with bonds issued by the Reserve Bank of Fiji to the tune of about \$300 million in 2020, development partners, grants and draw down of our external loans which kept our foreign reserves in place, Mr. Speaker, Sir.

The point, Mr. Speaker, Sir, we are making is that, this Government has bragged about its so-called Bainimarama Boom before, now they are talking about a Bula Boom but we all know, Mr. Speaker, Sir that we were in a difficult situation. In fact, Mr. Speaker, Sir, let me point this out as well: I mean they made a big deal, they lied on the other side of this Parliament that I was proposing a salary cut for Civil Servants, they lied.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- They lied, they lied.

HON. DR. I. WAQAINABETE.- A Point of Order!

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, they continued to lie.

HON. DR. I. WAQAINABETE.- It was on the website of NFP (You're the Leader of the NFP), that NFP had proposed a 35 percent pay cut for all Civil Servants, published on your website. Sit down, I have not finished. Sir, he is misleading Parliament, his Party of which he is the Leader proposed a 35 percent pay cut for nurses, doctors, lab technicians, front liners and I had to fight tooth and nail. They were calling me to say "is this right?" I had to fight tooth and nail and messaged people to say he was not, that this Government will never cut their salary. He who is talking here is mad.

HON. PROF. B.C. PRASAD.- I know he is aggrieved by what I said and I maintain that he is the worst Health Minister in this country ever.

Mr. Speaker, Sir, he continues to lie and that will come out very soon. But let me say this, this is a country during the crisis, where the workers of this country not only helped themselves in two ways: by withdrawing their FNPF but also, Mr. Speaker, Sir, the Civil Servants took a pay cut because they had a reduction in their FNPF employer contribution from 10 percent to 5 percent because the FNPF that the employers pay is part of the salary and part of their benefit. If you cut that, you are actually ...

HON. A. SAYED-KHAIYUM.- A Point of Order!

HON. MEMBER.- You sit down - liar.

HON. PROF. B.C. PRASAD.- A Point of Order, Mr. Speaker, Sir. ... Man he has called me a liar.

HON. J.V. BAINIMARAMA.- Which man? There is no man here.

HON. PROF. B.C. PRASAD.- The honourable Minister for Health.

HON. J.V. BAINIMARAMA.- Hey, there is no man here. Honourable Minister for Health (do) not (call him) "man".

HON. PROF. B.C. PRASAD.- Honourable Minister for Health has called me a liar.

MR. SPEAKER.- Honourable Member, just take your seat. There is a first Point of Order here.

HON. A. SAYED-KHAIYUM.- Sir, I just want to correct honourable Professor Prasad, I know he is very much worried about what has happened in the past few weeks and in his own speech to try and defend his position. But I like to ask him to keep it in control because by definition a 'pay cut' means your base salary which is your pay; then you have other terms and conditions that are attached to your base salary.

The base salary, the pay of all Civil Servants were not cut at all. He is talking about FNPF contribution that is not pay, he knows that. There is actually a statutory provision that says that ‘every employer and employee must have a FNPF deduction’, that is not pay. That is a FNPF contribution, Sir, please, do not mislead Parliament, it is not a cut in pay. I know you are trying to recover some grounds because you are on record for saying “Civil Service must get a pay cut and 10 percent” was printed in the Fiji Times.

Sir, the other cuts that he also was going about saying ‘is a pay cut’, honourable Gavoka please

HON. V.R. GAVOKA.- Mr. Speaker, Sir, a Point of Order.

HON. A. SAYED-KHAIYUM.- What?

HON. V.R. GAVOKA.- A Point of Order Mr. Speaker, Sir.

HON. A. SAYED-KHAIYUM.- I am on a Point of Order.

MR. SPEAKER.- Sit down. There is a point of order being raised here. Another one came up, now you want to take another one. Just take your seat.

HON. A. SAYED-KHAIYUM.- Sir, there are other terms and conditions, I am trying to define the definition of pay. They are what we call rural and maritime allowances and meal allowances. They are separate to the basic pay. There was no basic pay cut, the salaries of civil servants were not cut. He is saying that because FNPF was reduced, therefore, it is a pay cut. It is not a pay cut, Sir. That is all I want to tell Parliament, so he should stop misleading Parliament.

MR. SPEAKER.- Thank you. Honourable Professor Prasad, you have the floor.

HON. PROF. B.C. PRASAD.- Mr. Speaker, no matter how he tries to define it, the FNPF contribution is part of the benefits for any employee from the employer. That, Mr. Speaker, was reduced.

HON. DR. I. WAQAINABETE.- A point of order, Mr. Speaker.

MR. SPEAKER.- What is your point of order?

HON. DR. I. WAQAINABETE.- Mr. Speaker, this is the third time he has called us ‘guys’ – that is alright if he calls us ‘guys’. He must take what the whole 27 of us are going to call him after this.

HON. PROF. B.C. PRASAD.- I know, Mr. Speaker, their fortunes are down – it is going down further, and they are struggling to remain relevant.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Of course, their political fortune is on the line and I can see the frustration on their part. They cannot accept the fact that all the employees of this country, including the civil servants, had their FNPF contribution reduced. Not only they contributed to the

employers, including the biggest beneficiary which was the Government, they were saving about \$4 million as a result of that.

However, Mr. Speaker, the employees also had a reduction in their own contribution from 8 percent to 5 percent. So during the crisis, not only they – the civil servants were helping Government and other employees helping their employers, but they were also helping themselves during the crisis by taking a reduction from their own contribution of 8 percent. They continue to do so.

Now, Mr. Speaker, it is about 6:6. They are still contributing 2 percent out of their salary to themselves, and contributing 4 percent to the employers. It will be 7 percent employee contribution and 7 percent employer contribution from January. Again, Mr. Speaker, they will be taking 1 percent of their contribution to the FNPF in their pay and continue to subsidise the employers by another 3 percent.

I think no country in the world would have created a situation where employees were helping the employers. This is the only country, I think, where the employees suffered a reduction in their FNPF contribution to help the employers. So, Mr. Speaker, we need to understand that, and no amount of lies and name-calling from the other side will take away the fact that it was the civil servants who helped the Government and helped themselves during the crisis. That is a fact, Mr. Speaker, and they cannot take that away.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- I think it needs to be put on record. I mean, he is laughing but he knows that the civil servants of this country helped the Government in the crisis. They do not acknowledge that and then they lie that we, in the Opposition, wanted a pay reduction. They kept on lying. After it was clarified, it was out there in the public, they continued to lie, Mr. Speaker, and this is what they will do. They will continue to lie between now and the Elections.

So, Mr. Speaker, I want to thank all the employers in this country and the civil servants because they sacrificed the most in a real difficult situation because not only they suffered at the current time, they will suffer for years and years to come because their savings, including their interest on FNPF, has been lost forever. That is the reality and that is the result of bad economic management by this Government before the COVID-19 crisis, and I had pointed out that in 2019, we had negative growth. Thank you, Mr. Speaker.

MR. SPEAKER.- Honourable Members, time moves on. We will now take a break for morning tea.

The Parliament adjourned at 10.36 a.m.

The Parliament resumed at 11.07 a.m.

HON. I. KURIDRANI.- Mr. Speaker, Sir, thank you for allowing me to make a short contribution to the debate in Parliament. I will be brief and before that, I want to thank the Committee, especially the Chairman of the Committee for his hard work in providing this very comprehensive Report.

It is fortunate that my contribution today lies with what the honourable Professor Prasad has just mentioned about remittance and what we have received, as reported by the Reserve Bank of Fiji (RBF) and has been commended by the Standing Committee on Economic Affairs. I just want to say that when people think alike, it confirms the level of intelligence and fools normally differ. I want to commend the RBF in recognising the immense benefits that remittance brings to Parliament and to the country.

Further, I also commend the RBF efforts to continue to work closely with the development partners and financial institutions to promote financial literacy and financial inclusion programmes in Fiji. Such programmes provide basic financial knowledge that would help recipients to use funds not only for consumption purposes but also for investment. Furthermore, the Bank has continued to collaborate with mobile money services providers, money exchange dealers and commercial banks to facilitate cheaper, easier and faster transfer of international remittance to Fiji.

Mr. Speaker, based on that, the Committee has stated that it was pleased to note that there was a significant increase in remittance during the 2020-2021 financial year through mobile money services which saw a substantial increase of 283.5 percent, thus positively contributing towards the economy. The RBF reported that Fiji's total remittance received from January to November, 2020 had exceeded expectation, surpassing the 2019 highest monthly remittance inflow of \$60.5 million twice with record remittance in 2020, totalling \$652.75 million.

Mr. Speaker, this confirmed that the Fijian people living abroad were doing more to our economy's recovery than what this Government has been boasting about. Mr. Speaker, the point that I want to raise in this House is why this Government has failed to publicly acknowledge the substantial financial contribution from Fijians living abroad who made this personal sacrifice to ensure that their families who had suffered due to this Government's poor decision and mismanagement. Even in his two previous budget address, the honourable Minister for Economy has not mentioned anything about the remittance. Never! He never acknowledged about the contribution of these people in his previous two budget address.

Sir, their silence confirms their immaturity, juvenility, inexperience, arrogance and ignorance of the fact that it was remittance that kept our economy afloat and our families sustained. Sir, we all understand that the government assistance either be food ration, financial assistance or material in kind will reach victims of disasters after weeks and months due to verification process, however, it is the remittance that kept families afloat from day one.

Mr. Speaker, one wonders why they are silent. Maybe, they are ashamed of themselves because some of the people that have been banned and cannot return to this country due to some politically-motivated decisions are the very people that are contributing through this remittance or they do not want their lies and incompetency to be exposed since they have been claiming that it was their good decisions and prudent macroeconomic and microeconomic policies and programmes that has kept our economy functioning during the COVID-19 crisis. But this is a lie. It was the remittance that kept our families sustained during the COVID-19 pandemic as being revealed by the RBF.

To conclude, Sir, I ask the honourable Prime Minister and the honourable Minister for Economy that it is not too late to humble themselves and be honest about the real economic situation that we experienced during the time of this review and issue a public statement to acknowledge the financial contribution and contribution in kind made by our people living and working abroad. We are coming close to a cyclone season and there is a high probability that cyclone will strike again, so please do the right thing since we know that you have been doing the wrong thing all the time.

HON. V.R. GAVOKA.- Mr. Speaker, at the outset, SODELPA also wishes to pay tribute to Justice Reddy who in many ways, was an icon in the area of laws and politics, especially those of my generation. We remember him as someone who was always calm and with him around, one has a sense of stability which we needed, given our troubled history. Our condolences to his family.

Mr. Speaker, Sir, as we debate the Reserve Bank of Fiji Annual Report, an area that I would ask the government to dwell on or to brief Parliament and the people of Fiji is in the area relating to the health of our financial system. We have just come through this COVID-19 and we know that there were a lot of bad debts incurred during that period. Sir, SODELPA would like to know how much bad debt is there in the financial system; whether the banks are managing them well. Whether they are comfortable with it, Mr. Speaker, Sir, because bad debts can impact on the financial system of the banks in a big way and can affect the banks and you know what would happen if that became that.

So, I would ask the honourable Minister for Economy if he can make a statement, to assure us that the bad debts that we know that are there, we cannot say that there was no bad debts but the value of it and how the banks are coping with it and that they are able to stay solvent and continue to provide financial services to the country. We would ask that the assurance to be made to this Parliament and to the people of Fiji.

Mr. Speaker, Sir, Nadi was the most badly affected region during COVID-19, we remember that Nadi Town and Nadi Airport were like a ghost town and I wonder if there is an initiative or a scheme that can be put together by the Reserve Bank of Fiji to help the businesses in Nadi recover from COVID-19. It is coming to us as a party that we should do something about it, a lot of Nadi businesses have suffered and they would be looking to some support from the Reserve Bank of Fiji, in terms of some facilities, to help them get back on their feet, Mr. Speaker, Sir. So, maybe, the Government can do that as oppose to waiting for SODELPA to come into power and set it in place. We can do it right away, Mr. Speaker, Sir.

Mr. Speaker, Sir, I also need to speak on the remittances. I was in the United States about two weeks ago and it is amazing the demand for our people in America, especially in the areas where people need care and comfort and sometimes we do not realise our strength. Our strength is the way we are, the way we relate to each other, the easy going manner with which we live our lives and this appeals to those who need care and comfort. In America today, Fijians are highly in demand by those who need this kind of attention, Mr. Speaker, Sir, and that is something that we should be proud of.

I was told that in an oil field somewhere in Pennsylvania, Colorado, the Fijian workers were the most preferred compared to other nationalities that are there because they do not complain, they are accommodative, they are happy people and they will just say, "Look you people are different, there are others from the Latin American countries who are also there". So, that is our strength, as a people, we should always try and celebrate. I know that initiatives are in place for more people to go abroad and we should all support that.

Whilst on that topic, Mr. Speaker, I also heard from people who have been in the US for about

20 years or so that their status needed to be formalised, and they cannot come back to Fiji. They are very restricted in the way they live in the US. I would urge Government to take this up with the US authorities and try and formalise their status. They have been paying taxes in America, they have been providing service in America but they still do not have that formal status to enable them to return to Fiji and to be a free person in terms of mobility. So, I would urge the Government, and we would certainly take that up with the US government to try and formalise this for those who do not have that formal status in the US.

It has been said many times by my colleagues who have spoken today that they are the ones that been keeping us alive for quite some time. I believe lately it was close to \$900 million or more than \$1 billion during the pandemic which was quite significant, Mr. Speaker, and we need to do this for them. I would urge Government to take that up and help our people overseas.

Those are my comments, Mr. Speaker, and I commend the Committee for their Report on the Reserve Bank of Fiji. I used to sit in the Economic Affairs Standing Committee and I was always impressed with the professionalism of the RBF - the manner they presented their Reports and the quality of the information they provided for us. We would like to see them address the issue that I have raised in terms of the solvency of the financial system.

HON. J.V. BAINIMARAMA.- I rise to speak on the motion by the honourable Vijay Nath but before I do that, Mr. Speaker, Sir, I need to say that today we mourn a Fijian patriot. Like the NFP leaders who preceded him, Mr. Jai Ram Reddy championed the same cause of common and equal citizenry which our Constitution has finally guaranteed, and that unites us as fellow Fijians. It is with gratitude that we honour this true son of Fiji. I know for a fact, Mr. Speaker, Sir, that he would not be performing like the honourable Professor Prasad if he was in Parliament today.

I thank the Chairperson and Members of the Standing Committee on Economic Affairs for their comprehensive deliberations of the Annual Reports. Mr. Speaker, Sir, the last few years have been unprecedented for Fiji and the world. The challenges presented and impacts felt from the COVID-19 pandemic meant that critical proactive measures had to be undertaken by my Government. The Reserve Bank of Fiji also introduced a slough of important policies to mitigate severe economic impacts and I join the Committee in commending them for taking swift action in this regard.

Mr. Speaker, Sir, Fiji faced a devastating economic contraction during the worst period of the pandemic with a 21 percent cumulative decline over the past two years. As a Small Island Developing State (SIDS) Fiji bore the extreme brunt of a one-in-a-century event losing \$4.6 billion in GDP over two years and about \$4 billion in tourism earnings. Government moved swiftly to buffer Fijians against the worst impacts however our people were not completely spared - no country was, Sir. Over 100,000 Fijians lost their jobs virtually overnight or had their hours significantly reduced.

Mothers, fathers, sisters, brothers, aunties and uncles - every Fijian - has had to work alongside my Government on the tough road to recovery. They worked alongside us because they saw our commitment and trusted us to lead our people out of the international crisis and back onto our pre-COVID-19 path of stellar growth. RBF has been paramount every step of the way. Response measures during the review period included lowering the RBF key interest rate which aimed to encourage demand and support consumption and investment. It also included increasing allocations to Substitution and Export Finance Facility, and the Disaster Rehabilitation and Containment Facility which included support for MSMEs. It meant investing in government bonds in 2020 and providing guidance on loans during the crisis period.

Mr. Speaker, Sir, Committee's review highlights that Fiji's Foreign Reserves have remained

above the benchmark during the review period. Remittances have increased along with the greater emphasis on digital transactions. The 2020-2021 financial year recorded an increase of 283.5 percent in mobile money services. We know there is unlimited potential in improving our digital finance sector as well as developing outsourcing as a key economic sector.

Even in the face of a global crisis, Fiji is showing resilience and innovation in our recovery. The Government is walking the talk and not looking for the easy way out - remaining committed to truly leaving no one behind in the good times and the bad times.

Mr. Speaker, Sir, on that note I am encouraged by RBF's SDG implementation in their work including SDG 3 on Good Health and Well-Being, SDG 4 on Quality Education, SDG 5 on Gender Equality, SDG 8 on Decent Work and Economic Growth, SDG 9 on Industry, Innovation and Infrastructure, SDG 10 on Reduced Inequalities, SDG 11 on Sustainable Cities and Communities, SDG 13 on Climate Action and SDG 17 on Partnerships for Goals.

As Fiji continues to face economic shocks in response to ongoing COVID-19 effects, climate change impacts and overseas conflicts, I can assure our people that my Government is doing its utmost to secure a stable, sustainable future for all Fijians.

I commend the RBF for being such a dependable partner and for their team's ongoing contribution towards Fiji's economic recovery and growth. I have heard honourable Inosi Kuridrani's comments - I would not believe a word he says. I do not like people who are disloyal to the party and I feel sorry for these guys opposite the room, since he is going to move PAP.

HON. V.R. GAVOKA.- Don't worry about it.

HON. J.V. BAINIMARAMA.- No, I feel sorry for you. I do not feel sorry for you at the back. I feel sorry for people of SODELPA for people like honourable Kuridrani. He is like the former member of the party who he is going to join honourable Sitiveni Rabuka.

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

HON. J.V. BAINIMARAMA.- He is no longer honourable, sorry. He moved just to win the election and just to be part of a winning team. That is not the way to go - moving bum to bum on the seats across the room.

Based on those remarks, I support the motion, Mr. Speaker, Sir.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, please allow me to present some thoughts on the Report of the Committee on the Consolidated Review Reports of the RBF 2018 – 2019, 2019 – 2020 and 2020 – 2021 Annual Reports.

While I can appreciate that the Committee may be overwhelmed by its backlog of work and the space deficit that we all know about within the parliamentary precincts, it makes scheduling of Committee meeting rooms availability difficult. The Report is particularly hard to read and I say this because I cannot really tell what degree of review, scrutiny, examination or consideration that the honourable Nath as Chairperson, led his team through with this consolidated report.

In fact, let me back that up Mr. Speaker, Sir, the Annual Report is for three financial years. The actual report itself has one page, containing seven recommendations - two pages about SDGs, while the actual meat of it is in the Annexure where the RBF basically wrote nine pages of another report about itself but centred it to present day circumstances.

Mr. Speaker, Sir, through you, I ask the Committee Chairperson, honourable Nath, why did you not just let the RBF write the Committee review report on itself or maybe it did. The taxpayers of this country are expected to pay for this standard of workmanship set by the honourable Chairperson.

Mr. Speaker, Sir, let us look at the actual recommendations. Recommendation 2 is excited about the rate of remittances for the 2020-2021 financial year that boosted the economy by 283.5 percent through mobile money services. If the Chairperson saw fit to highlight the massive remittances injection in Recommendation 2 for that year, why was he not as excited about the remittance percentages for 2018-2019? What laws or policies impede or incentivise these remittance flows? All that the report says, as lifted straight out from what the RBF says, and I quote:

“... inward remittances including international mobile money transfers in the 2020-2021 financial year, grew by 15.4 percent to a total of \$740 million compared to a 6.8 percent growth in the 2019-2020”

If the Chairperson is welcoming of financial support from our people abroad via remittances in this Recommendation 2 then logically, Mr. Speaker, Sir, he and his Committee Members should oppose barriers to remittances like decreasing the threshold for cash transaction reports by financial institutions from \$10,000 to \$5,000 when the Financial Transaction Reporting Act comes up for debate later this week. It was also curious that the RBF Annex in the report sees fit to single out and I quote “M-PAiSA by Vodafone Fiji and MyCash by Digicel” as the main carriers of remittances for international mobile money. I hope an independent institution like RBF is not providing free PR to these entities.

Mr. Speaker, Sir, Recommendation 2 on the high remittance percentages might, in fact, be tunnel-visioned if there was no consideration paid whatsoever by the Committee Chairperson, to invite the views of the Government arm [the Financial Intelligence Unit (FIU)] to advise on possible risks of remittance flows for money laundering, terrorist financing and other serious criminal activities. In fact, Mr. Speaker, Sir, please allow me to digress just very briefly.

When the Elections Office invited political parties for a briefing with the Head of FIU, the NFP asked the FIU whether it could provide clearance for our proposed candidates prior to the nomination process. It was in good faith that we sort this so that we could be confident that the people, that the NFP selects are credible as politically exposed persons and originators or receivers of financial transactions, seeing as they will be contesting to represent people in this Parliament. The surprise to that request (I am reliably told Mr. Speaker) is that Mr. Saneem himself made visible eye and head gestures to the Director in front of all the political parties present, to signal that the Director should refuse this request and we wonder, why?

Mr. Speaker, Sir, Recommendation 3 in this Report talks about the Housing Facility for Low Income Earners Scheme. Honourable Nath, as Chairperson, writes that the funds allocated for this initiative should be fully utilised and perhaps, he has not availed himself of the 2019 Auditor-General’s Report which said, and I quote:

“Unutilised budget of \$27 million in capital expenditure was due to unspent budgets for programs under SEGs 8 & 10 which included the upgrade of informal settlements, upgrade of town-wide informal settlements, city-wide upgrade First Home and First Land Programs, HART, Interest Subsidy for Home Loans, Social Housing Assistance and survey for regularization of lease and land titles.”

So, suddenly, Mr. Speaker, Recommendation 4 takes a turn to support Business Process

Outsourcing (BPO). Was that industry even viable in the financial period of these Reports? It is like this recommendation was plucked out of thin air.

HON. A. SAYED-KHAIYUM.- You have no idea.

HON. L.S. QEREQERETABUA.- Yes, we understand that BPO represents an economic opportunity, but when crafting this recommendation, did the Chairperson and his team consider what many people working those irregular hours in this lucrative sector, backed up by tax incentives, are being paid? It is something like \$10,000 per annum. Did the Chairperson do the math?

In Recommendation 6, the Chairperson leads his team to advocate how the MSME Technical Working Group liaised with MCTTT to advance initiatives that support the MSME Sector. But then what? What impact, projected or real, did the Committee envisage as tangible targets? Why is there a recommendation telling groups already working together, to keep working together?

The RBF Report, in the Annex, did not mention this, just like it did not mention anything related to BPOs as per Recommendation 4.

Finally, Mr. Speaker, I am thankful that this could be the final Parliamentary Sitting week for this 2018 parliamentary term because all this workmanship and mindless attempts to look busy doing nothing, with taxpayers' money, supported by *dinau*, is about to end. When we are sitting on the other side, Mr. Speaker, the Chairperson and his Committee can learn from us on how to do proper due diligence when Annual Reports are tabled in Parliament.

MR. SPEAKER.- Honourable Members, I have asked you in the past to put your names down if you want to speak. You have a tendency of jumping up and down at will, so do not do that.

HON. S.R. RASOVA.- Mr. Speaker, Sir, I would just like to thank the Standing Committee on Economic Affairs (even though they have been corrected by honourable Qereqeretabua) in regard to the 2018-2019 Report, for the speedup of this Report, and I thank the RBF for the independence of their Report.

I can see here that they have just given us their press release last week on 25th August, and it details the inflation control, most of the remittances, et cetera, and it reflects that they have been doing their work. Their independence has not been touched, and I reflect on the independence of RBF, the independence of the Fiji Bureau of Statistics and the independence of the Office of the Auditor-General - this Government should always keep that independence.

I thank the Committee for their Report, even though it is not really detailed to the Annual Report. But thank you, Mr. Speaker, Sir. I would like to thank the Committee and I support the motion.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, before I respond to some of the comments that have been made from the other side, I just want to highlight a couple of points. Generally, when we talk about reserve banks or central banks, they are charged with the responsibility of maintaining low and stable inflation that is conducive to steady economic growth.

In small open economies like Fiji, the role of central banks extends to ensuring a comfortable level of foreign reserves, which is critical for investor confidence as insufficient levels necessitate adjustments or devaluation, indeed, of the currency. None of the honourable Members from the other side ever talked about foreign reserves and I suspect that they do not even understand the implications of having low or high foreign reserves, Sir.

Mr. Speaker, Sir, in order to appreciate the work of the RBF over the past three financial years, I just would like to highlight some of the critical issues. The Fijian economy recorded its highest growth in history of 12.4 percent in 2022; foreign reserves is currently sitting at \$3.6 billion, just marginally below the record high sufficient to cover nine months of imports; inflation during the past three financial years average at about 1 percent and it is currently 5.2 percent on account of the Ukraine war and associated as well as the pandemic related supply chain issues. This outcome is, of course, commendable given the inflation levels registered in our major trading partners and economies are at record high levels.

In addition, we have avoided devaluation of the Fijian currency. Again, an issue lost on them, which would have adversely affected all Fijians in a period where imported inflation has remained significantly high. The Bank liquidity is around \$2.6 billion and is supportive of economic recovery. The private sector credit growth is positive and gaining momentum with commercial bank new loans totalling about \$1.8 billion for the first seven months of this year. So \$1.8 billion in fact has been injected into the economy by loans from the banks by the private sector. Commercial banking lending rates have been trending downwards and are currently in a historical low of 5.4 percent.

The stability of our financial system, as honourable Gavoka alluded to, is a reflective in the satisfactory performance of the commercial bank industry and based on the satisfactory levels of capital, earnings, liquidity and marginal asset quality. The Bred Bank, as you would know, last year in fact injected new capital, new equity into Bred Bank Fiji. Similarly, the insurance industry has registered a strong consolidated solvency position and satisfactory levels of earnings and liquidity. Furthermore, the FNPF continued to report positive operating results over the reporting period and adequately met its legislated solvency requirements.

Mr. Speaker, Sir, the honourable Prime Minister highlighted how the RBF, in fact, on 18th March, 2020, reduced the overnight policy rates by 25 basis points, which helps stimulate demand by lowering the cost of borrowing and supporting consumption and investment activities. Honourable Qereqeretabua will learn a lot from by listening to this. As part of its measures to reduce the cost of borrowing and at the same time ensure that businesses survive the sharp pandemic fuel contraction in the economy, the RBF increased funding available through its two concessional loan facilities. The honourable Prime Minister had mentioned this, the disaster rehabilitation containment facility and the import substitution and export finance facility to \$350 million and \$500 million respectively.

In addition, the interest rate under both the facilities were reduced from 5 percent to a whopping 3.99 percent, and contributed to interest savings of around \$20 million per annum. This means directly jobs. The Opposition do not see the correlation between this and economic activity, and indeed social enhancement.

The RBF also collaborated with the Government to introduce an additional \$200 million funding allocation for loans to micro, small and medium enterprises coupled with Government Loan Guarantee, cover up to 90 percent and two-year interest rate subsidy. The initiative directly benefitted over 5,500 businesses by generating cost savings at least \$10million over the two-year period.

Mr. Speaker, Sir, these are some of the highlights as far as the RBF is concerned. The Bank's twin monetary policy objective of low inflation, maintaining adequate level of foreign reserves remain intact during the review period, inflation averaged minus 1.3 percent and minus 1.8 percent in the 2019-2020 and 2021 financial years respectively, compared to the average of 3.8 percent recorded in the preceding year of 2018-2019. The RBF's accommodative monetary policy stance

including participation in the bond market enabled the Government to meet its funding requirement in the domestic market at low cost resulting in notable debts servicing cost.

Mr. Speaker, Sir, one point that none of the honourable Members also mentioned, honourable Qereqeretabua, following the approval of the National Payment System Act by Parliament in February 2021, the RBF in fact has embarked on a journey to modernise Fiji's payment system law and infrastructure to effectively and efficiently meet the growing needs and aspirations of the Fijian economy. The reform is expected to be completed in early 2023 with the introduction of a centralised security depository and the upgraded real time gross settlement system going live in November 2022. So, essentially what this means is, the entire financial system becomes completely integrated. We are able to track money better, we are able to have payment systems a lot better and things like cheque books will go out of fashion. There is no necessity for that. It will reduce the cost of doing business and make Fiji furthermore a financial hub.

Sir, I would just like to comment on a couple of things. I had talked about honourable Professor Prasad misleading Parliament regarding the definition of what wages and pay is. He also went to say that by Government agreeing to reduce the FNPF contribution both, by the employer and employee, the employee somehow or the other by having their amount reduced was giving money to the employer. Sir, if I as an employee, 8 percent was deducted from my salary and now there will be 5 percent deducted, it does not mean that the 3 percent has gone to the employer. It simply means that the 3 percent is going in my pocket. That is what it means. It means I am taking more money home in my pocket as opposed to putting in a savings, Sir.

HON. PROF. B.C. PRASAD.- A Point of Order. I think the honourable Attorney-General is deliberately misleading what I said. I said that when you reduce the FNPF contribution from 18 percent to 10 percent, 5 percent of that reduction was for the employers, contribution to the employees FNPF fund and 3 percent the employees took themselves into their pay which was supposed to go to FNPF. That is what I said. So, please do not mislead.

HON. A. SAYED-KHAIYUM.- Sir, unfortunately, I have to say this, Honourable Professor Prasad has gained a reputation of misrepresenting the very misrepresentation that he makes himself. So I will say, Mr. Speaker, Sir, just to explain to all the other SODELPA and PAP Members just in case they get misled by him, that when a person no longer gets 8 percent deducted from his or her salary and has only 5 percent, that means that 3 percent goes in his or her pocket; 5 percent then goes to FNPF.

Mr. Speaker, Sir, the honourable Prime Minister highlighted in his address just now in response that we lost over 100,000 jobs overnight. There are thousands of Fijians who had reduced hours. We had people actually coming to us and saying, "We no longer want to pay FNPF, we just want more money in our pocket now. We have to live now. We do not care about the savings." Here they are, standing up and pontificating and saying that was the wrong thing to do. We managed to achieve a middle of the ground approach where people still had savings but we reduced their FNPF contribution.

At the same time, Mr. Speaker, Sir, and these are the hard core realities on the ground that a lot of employers were actually going to fire people or no longer could carry them because they no longer had the cash flow. So in order to preserve jobs also, Sir, we reduced their FNPF contribution from 10 percent to 5 percent. Is it not better that someone has a job, has 5 percent less contribution by the employer but actually has a job? That is critically important and all those employees actually appreciate that. That is what they do not talk about.

Mr. Speaker, Sir, honourable Prasad went on and said, "Oh, there was economic contraction

in 2019.” Yes -0.6 percent, not even 1 percent. Worldwide there was contractions all over but we had a modest contraction of 0.6 percent. But what he does in the same breath, he does not talk about the nine years of growth before that and that has been proven, verified, validated, confirmed – not just by us, by all the international agencies, by all the multilateral development banks – nine years of growth and that is the Bainimarama Boom and we stand by that, Sir.

Fiji’s GDP has doubled in a span of 10 years. Sir, 10 years!

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- The GDP doubled. There was a contraction of 0.6 percent. Unfortunately for the world and for Fiji, of course, because we are part of the world, we had an economic contraction because of a once-in-a-hundred-year event; a pandemic. The economy contracted in excess of 17 percent then last year by 4 percent.

Mr. Speaker, Sir, we managed through that. To-date, the Opposition have not uttered a single word to say what they would have done. They have not said what they would have done. All they say, “Oh, contraction took place; the debt is high” but they have not said what would they have done.

Mr. Speaker, Sir, it started from a very basic issue. When we do lockdown they say, “Do not do lockdown”. When we lift up the lockdown, they said “do the lockdown”. Get vaccinated, they say “do not get vaccinated”. They do not understand the fundamentals about a small country like Fiji which is hugely dependent on imports. The honourable Prime Minister has highlighted the revenue that we lost overnight and the level of tourism earnings that we lost over \$4 billion. For a small country like Fiji it meant a huge dent to our foreign reserves but what did the Government do?

The Government changed its permutation regarding its borrowing, we normally borrow from onshore, left from offshore. This time we changed the permutation, got war from offshore. Why? Because we have got new money coming in, we have got foreign currency coming in which buffers up our foreign reserves. If the foreign reserves had dropped, our dollar would have been devalued. They do not acknowledge that.

Mr. Speaker, Sir, the other issue is that when we acknowledge our contraction they said it is debt. When we talk about debt and say how it has been managed and how there is a necessity and how we have the ability to do the cash flow, they show Sri Lanka. When someone from Sri Lanka comes and debunks that, they go onto something else.

Mr. Speaker, Sir, the entire world went to contraction, *Google* it honourable Professor Prasad, that is where you get most of your information from. You will see that most countries in the world, all had increased their debt levels because of the economic contraction globally. Families who had to be fed, people’s livelihoods had to be supported, we did exactly the same. We rolled out \$432 million. Now, they are clutching at straws saying, “Oh, this should have been done, FNPF funds have been missing”. FNPF gave a returned rate of more than 5 percent notwithstanding the fact that the economy contracted by 17.2 percent in excess of 5 percent. During COVID too you do not even have your figures up to-date.

Mr. Speaker, Sir, honourable Qereqeretabua again has got it completely wrong like she got the fishing laws wrong. She said going around fishing and she gets the fishing laws wrong. They talk about, “Oh the \$5,000 threshold now, what will happen to the remittances?” *Areh!* All remittances get reported. If tomorrow I send \$100 from Australia to my aunty’s M-PAiSA account, it will get reported because all remittances have to get reported. Do they understand how reporting works? It simply means that whoever, not the customer but the agency that is facilitating the payment

has the obligation legally to report it because we could have a terrorist sending \$100 every hour that can accumulate to \$2,400 in one day. Multiply that by the number of days, how much money you got coming in?

They are so obtuse, they do not even think about it, they do not even read the reports. Every single remittance gets recorded irrespective of the amount and she is going on about reporting of the \$5,000 to \$10,000; that is for local agencies, local transactions and also it does not affect the customers. It is the bank's obligation, it is the law firm's obligation, it is the accounting firm's obligation, it is the money exchange person's obligation, not the customer's obligation. And why! They are saying, "Oh, are they advocating for M-PAiSA and MyCash." There are only two money wallets available in Fiji who else would they talk about. There are only two mobile phone companies. Have they ever asked the question why are more people sending money through M-PAiSA or MyCash? Because more people in Fiji have mobile phones now. They did not have it before, the Bainimarama Government deregulated the telecommunication sector. There was only one mobile phone company; only ATH, only FINTEL - now it is deregulated.

Mr. Speaker, Sir, 99 cents a unit cost for a call in peak period before, today it is 23 cents peak period. No five-up, no top-up, no free talk time before, now you have that; 95 percent of Fijians have mobile phone connectivity today, that is why their relatives know, they are sitting somewhere, honourable Gavoka went to California. They want to send money to someone in the interior of Vanua Levu, they know they have connectivity, they will send them money, before they could not. It was not even worth sending \$100 because it will cost that person \$150 to go and collect the money from the post box or from the postal money order or go to town. Now they get instant payments on their phone. Why? Because this Government did it. Why? Because this Government has invested in telecommunications.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- They talk about, "Oh, was the BPO sector around then? *Areh*, it has been around for a long time. There is a company called ACS that was in the Ramarama House, Fijian Holdings Building. They have been there for donkey's years, even before 2006 and they are questioning, "Oh, was it around then?" Of course, the amount of businesses, the number of businesses and the amount of frequency of that has changed significantly. It has grown exponentially during this Government's time. The tax incentives given has grown exponentially. So, obviously there is huge impact, Sir.

Mr. Speaker, Sir, the other point that I wish to also make was, a number of Members from the other side constantly debunk independent institutions when those independent institutions either give good news or point out facts which they do not like and it is such a fundamental issue, Sir. We have seen that by the other side, they have attacked the Judiciary when it does not suit them. They have attacked FICAC when it does not suit them. They attacked DPP's Office when it does not suit them. They attacked the RBF when it does not suit them. When they say something which they like, then they will speak in favour of it. When they do not like a decision, when they give a positive report, they attack the institution.

Sir, the entire basis of running a stable economy, running a stable country with fundamental social stability is to ensure that we maintain and indeed safeguard and guard the independence of all these independent institutions. We have had decisions that have gone against Government in the judiciary whether it is civil or criminal at the DPP's Office.

We have had people from this side of Parliament being charged by FICAC. We know people have been charged but have we ever attacked FICAC? We have had decisions that we did not like.

Have we attacked the Judiciary? We have had people who were being prosecuted that people know, some people from this side of Parliament know personally. Have we attacked the DPP's Office? Have we maligned them publically? No. They do that because for them everything is free for all. I remember, honourable Professor Prasad said once that everything is fair in politics like everything is fair in love and war and we had said no, you remember that! *Hansard* is there.

Mr. Speaker, Sir, we had at that point in time argued that not everything is fair in politics. There are certain things that should be sacrosanct like your independent institutions, like, Sir, your economy and like certain morals, values, principles that we must always adhere to.

Mr. Speaker, Sir, the last one I would like to make, yesterday he made a comment when we were talking about the Electoral (Amendment) Bill. He said, "We know sometimes politicians offer the moon but that is okay for the individuals to figure out." He said that. That is precisely what we want to avoid. We do not want politicians to go and offer people the moon. We want them to offer the reality. We want them to offer what can be done, what is possible, what is within the means of the country. What is based on the law? What is based on morals, values and principles, not a frontier approach, gung ho, anything goes, that is essentially, Mr. Speaker, Sir. What I would like to say in respect of this particular motion, I like to commend the Governor of the Reserve Bank of Fiji. We like to also congratulate him on his new term again for five years. We like to thank all the staff that have been involved in the Reserve Bank of Fiji.

I would like to also thank the Committee. I also want to, on behalf of honourable Qereqeretabua, apologise to the Chairperson of the Committee, honourable Nath, because she singled him out. This is a Committee. It is made up for five people. There are two people from the Opposition and three from the Government side yet politically motivated, she chose to single him out. This is what we call "unparliamentarily approach" to matters. In the same way, her leader chose to call everyone on this side "guys". This is what we called a new low in the Parliamentary debate that we have had, Sir. I support the motion, thank you, Sir.

HON. V. NATH.- Mr. Speaker, Sir, I join the honourable Prime Minister to show my condolence to Justice Reddy and his family. In fact, he was a very principled leader and I met him a number of times. A very principled leader by that I mean that after losing in 1999, he chose to resign. Here we have got another leader kicked out from the Public Accounts Committee, lost the fight but is still sitting here - very weird.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. V. NATH.- To answer honourable Qereqeretabua, if you read 2.0 on page 6, it is our Findings and Recommendations. Honourable Qereqeretabua you failed to read No. 5 and No. 7, if you would have read Nos. 5 and 7, then you would have understood that we have got Fiji Financial Intelligence Unit (FFIU) who also produced the report of the Committee and then you would not have asked the question.

Question put.

Motion agreed to.

REVIEW REPORT – AUDIT REPORT ON THE FOLLOW UP OF HIGH RISK MINISTRIES/DEPARTMENTS

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

That Parliament debates the Review of the Audit Report on the Follow up of High Risk Ministries/Departments which was tabled on 6th April, 2022.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the honourable Prime Minister, honourable Leader of the Opposition, honourable Ministers and honourable Members of Parliament; at the outset, I take this opportunity to speak on the motion for debate on the review of the Audit Report on the Follow Up of High Risk Ministries and Departments.

Sir, the Review Report focused on the outcomes on the follow up audits that were carried out by the Office of the Auditor-General and audit recommendations provided in 2017 of High Risk Ministries/Departments. Sir the follow up audit that were carried out during the audit of 2017–2018 Agency Financial Statements. The following reports and agencies were covered:

- Under General Administration, the Ministry of Rural and Maritime Development and Natural Disaster Management and the Republic of Fiji Military Forces and the Fiji Police Force;
- Under Social Services Sector, Ministry of Education, Heritage and Arts, Ministry of Health and Medical Services and the Ministry of Women, Children and Poverty Alleviation;
- Under Economic Sector which includes the Ministry for Agriculture; and
- Under the Infrastructure sector, the Ministry of Infrastructure and Transport.

The Committee had examined the extent and the progress of implementation of the audit recommendation made by the respective Ministries and Departments that were highlighted above. The Committee noted that these detail status update was done on a follow up audit for the eight high risk agencies.

The Committee commended those Ministries and Departments' efforts and progress on the improvements made on their systems and processes to address the internal control issues that were highlighted in 2017 audit. The recommendations that were yet to be implemented in the audit report have been progressively implemented by the eight respective Ministries and Departments.

In view of the above, the respective Ministries and Departments have undertaken necessary actions to fully implement the remaining recommendations. To take a snapshot of the progress from each entity, summary is as follows.

Republic of Fiji Military Forces (RFMF): The follow up audit of recommendation of RFMF was carried out on 11th July, 2019. From then till to date a lot has been done by RFMF, for example, all the recommendations for the issue on the anomalies in the Main Trust Fund for the Engineers Project Fund Account have been fully implemented and monitoring mechanisms have been put in place by RFMF not to be repeated in future.

In terms of Risk Management Framework, the RFMF has confirmed through a written response to the Committee that they were developing one which should have finalised by August,

2021. Also, it is important to note that those recommendations that were categorised as partially implemented by the Auditor-General will be addressed by the Internal Audit Charter which has been developed and currently in a stage of being endorsed by the Management.

Fiji Police Force: Mr. Speaker, Sir, the Committee noted audit issues raised in the accounts of the Fiji Police Force and we commend the response received with regards to the Audit findings that were raised. Sir, for the anomalies noted in the Revolving Fund Account, the Force confirmed that the RFA has been reduced from \$102,376.91 as at July 2017 to \$6,908.69 in July 2018 and efforts and resources have been put in place to further reduce the balance.

However, on the irregularities in the Operating Trust Fund Account the Fiji Police Force has made it clear that its analysis that there were no loss of Government funds but rather misallocation between 2007 and 2015 were identified which soon the Force will seek approval from the Minister for Economy to have this long outstanding previous years, balances written off.

Ministry of Agriculture: It is pleasing to note that all audit recommendations for the year 2017 have been fully implemented and currently there are no outstanding issues with the Minister for Agriculture as reported by the Office of the Auditor-General. It was further noted that the Ministry has recognised its organisational structure in order to ensure a smooth flow of communication and a well function monitoring mechanism.

The Ministry has also recruited the Head of Finance and the Principal Economic Planning Officer to lead the Monitoring Unit and they are serious in addressing its internal control issues. Also noted that a Post Implementation Review (PIR) mechanism has been implemented by the Ministry for all the projects and initiatives going forward with respective functional divisions responsible for performing this review three months after the programme completion.

Sir, the Committee was informed that the Monitoring and Evaluation Team will conduct an independent review of PIR, assess the programme's efficacy and make recommendations for changes or improvements. These have been included in the key control action list and a monthly review progress has been established.

Also noted that under the Finance Division of the Ministry of Agriculture, a new Compliance and Governance section has been established. The Manager Compliance and Governance will be in charge of developing the Ministry's governance plan. This section will be in charge of developing the Ministry's governance plan. This section will be in charge of ensuring that all audit recommendations are executed and that they do not reoccur in future - all of which will be monitored within the governance structure. The Manager Compliance and Governance position was expected to be filled by 31st December, 2021.

On a positive note, the Ministry of Agriculture has established a Compliance Review Team which is similar to an Audit Committee and the audit recommendations for 2017, 2018 and 2019 have been implemented. It is important to note that Ministry of Agriculture has strengthened its internal control and measures are in place and these have rectified all those issues that were raised.

Ministry of Education: Mr. Speaker, Sir, this Ministry has put in place measures to address the recommendations that are partially implemented. That is for the recommendation on underutilisation of capital expenditure budget which was partially implemented has been actioned and Minister for Education is working with the Minister of Economy to ensure that all financial requirements, guidelines are met and future capital projects are implemented on time.

The recommendations on all capital project submissions are through Public Sector Investment

Programme process and consider including the Minister's initiatives allocations in their Budget submission has been fully implemented by the Ministry.

The recommendation on the Building Grant has also been fully implemented in which they should only release building grants to schools which have fully complied with the capital grants for non-Government school policies. It is important to note that on the recommendation for the finalisation of financial statement, the Ministry of Education has set strict deadlines on all its critical deliverables including the submission of financial statements and this has been reflected in the Individual Work Plans (IWPs) for the Finance Section staff.

Ministry of Health and Medical Services: Mr. Speaker, Sir, in terms of the progress made by the Ministry of Health and Medical Services, at the moment, the Ministry is reviewing and strengthening its internal processes. Therefore, the Senior Accounts Officer Audit added responsibility is to carry out a follow-up on the implementation of relevant recommendations in the Finance Section and other respective Units.

Ministry of Infrastructure and Meteorological Services: It is pleasing to note that the Ministry of Infrastructure and Meteorological Services had set up an Audit Committee in the 2021 financial year to review the audit findings and collate the Ministry's information in regards to the issues raised. Also noted is that there is a monitoring and evaluation team set up under the new Strategic Planning Unit which monitors progress of individual departments against the Government targets in line with the approved processes.

In terms of the implementation of recommendations, it has been noted that the issue on the anomalies in reporting of TMAs has been fully implemented. The FEA Grid and house wiring refunds in the Energy Trust Account has also been fully implemented. The issue with P2P listing not regularly updated and reconciled with the General Ledger has also been fully implemented.

On the issue on the delay in filling of vacant positions, the Committee was advised that the recommendation has been progressively implemented by 86 percent, whilst 14 percent has been evaluated for filling and reprioritisation for new positions. This process is currently in the consultation process between the Ministry of Infrastructure, the Ministry of Civil Service and the Ministry of Economy, and this should be finalised soon.

In terms of the issue on Internal Control Deficiency in Inventory Management – GSS, the issue has been addressed with the recommendation being fully implemented as detailed in the Ministry's response to the Committee. Further, for projects on hold due to land consent, the Ministry has responded that the project has been completed in the Year 2020.

For the Main Trust Fund Receipts not used for Solar Home Systems, the Committee was informed that the Ministry is progressively implementing the recommendations, that is to consult the Ministry of Economy for the utilisation of funds for rural electrification projects. It is pleasing to note that the Ministry of Infrastructure has put in place measures to fully implement those recommendations that are recorded as partially implemented, and this has been actioned by the Ministry.

Overall, the Ministry of Infrastructure and Meteorological Services has addressed all of the recommendations made, which brings a total of 20/20 (100 percent) recommendations implemented, Mr. Speaker, Sir.

Ministry of Women, Children and Poverty Alleviation: Mr. Speaker, Sir, finally, this Ministry has put in place its 2021-2022 Costed Operational Plan as a measure to guide the Ministry

in the implementation of those recommendations that are recorded as partially implemented or not implemented at all.

The implementation of the 12 recommendations, as well as the Ministry's Operational Plan has been monitored by the Executive Support Unit. It is pleasing to note that majority of those recommendations have been fully implemented with the rest progressively in the verge of being fully implemented as planned.

Overall, the Committee commends the efforts of those Ministries and Departments highlighted in this Report as high risk, for putting in place measures to improve their internal control processes, as that will address all other audit issues that may arise in future.

Mr. Speaker, Sir, with those words, I thank you for the opportunity to speak on the motion.

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

HON. DR. I. WAQAINABETE.- Mr. Speaker, in the debate yesterday, I talked about how we have fully implemented eight of those recommendations and partially implemented eight recommendations. As you are aware, when this was actually done, there were only three recommendations that were fully implemented, so we have moved on from there.

Mr. Speaker, I will not go back to what I had discussed yesterday, but suffice to say that some of the reasons why we have been able to do that is, No. 1, is the improvement in our internal processes and, secondly, the Open Merit Recruitment system that we have in place.

This has actually ensured that we brought capable people in to our Ministry, especially into the administration and financial area, to actually ensure that we have due diligence in the work that is done. I have been very pleased to meet some of our new staff, a lot of them have come from the private sector, including the banking industry, and I am very grateful that we are able to do this.

The other thing that has also happened is the fact that, just before COVID-19 and through COVID-19, we have been able to strengthen our means of communicating with our distant or Divisional Command Centres with the mechanisms of zoom, not only are the clinicians using this but also the corporate sector that meet regularly. As a rule of thumb, the leadership within the Ministry of Health meet two times a week, the Permanent Secretary does that on our behalf commonly.

Also we encourage the corporate sector to meet regularly with them, and they are also doing out its visits. Apart from the senior doctors at CWM and Labasa going into the smaller Sub-Divisional Hospitals, the HR specialists, the accountants and the administrative staff that are there at headquarters actually go and visit apart from their zoom meetings, to actually work with the teams on the ground in the remote and rural areas about the internal processes that they need to ensure that they follow. These are, I thought were some very useful pertinent points to bring up in this debate as to why we have been able to move on from there.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, my contribution will be very brief. I note the Chairperson of the Committee did highlight the implementation of the recommendations where he says that only 39 percent of the recommendations were fully implemented. I see the Ministry of Health and Medical Services has only fully implemented 19 percent of the recommendations. The best out of the lot is the Ministry of Education and the Ministry of Rural Development and Natural Disaster where they have implemented 67 percent and 50 percent respectively. The Ministry of Agriculture is the best, which has implemented 73 percent of the total. I think it is important to

mention that because the work of the Office of the Auditor-General is very important and it can only be effective and have meaning if the different ministries implement those recommendations so I am quite pleased that the Ministry of Agriculture has actually implemented 73 percent of the recommendations.

I also think, Mr. Speaker, Sir, as I have said before that we need to strengthen the Office the Auditor-General and also I think it is about time that we look at the Standing Orders governing the operations of the Standing Committee on Public Accounts because when we look at big ministries, I know the honourable Attorney-General has this particular view about what the executive can do and cannot do.

Mr. Speaker, Sir, it is very important to look at some of the policies as well and it is appropriate for the Public Accounts Committee to look at some of the policies because the policies itself could lead to misuse and wastage of taxpayer dollars. I do not know what is happening with the Commission of Inquiry as to when we are going to get that report, but hopefully that inquiry itself will bring out the strength and the weaknesses of the Auditor-General's Office and how it can be strengthened, how that can be then linked to what the Public Accounts Committee can do because in some big Ministries, in some big projects, it is always important to do audits or monitor while it is happening because once it has happened, the Committee can only look at what happened and where the wastage was but the wastage has already been done. So perhaps, it is time and may be, the next government will do that, may be not this Parliament but it is an important consideration for anyone looking at the whole issue of wastage and how the work of the OAG can translate into the work of PAC which makes appropriate recommendations, also in addition to the recommendations that the OAG makes to different ministries.

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I would like to make a contribution because three of the Ministries or agencies listed are under my portfolio.

Mr. Speaker, Sir, first, let me acknowledge and thank the acting Auditor-General. There has been a significant change in the way this office operates under the new leadership and I need to raise this because this was a point that was raised to me by my Permanent Secretary. Now, they are conducting entry and exiting interviews. Not only that, Sir, the acting Auditor-General is physically present, making sure that things are done in the right way and that needs to be acknowledged.

On rural development, Mr. Speaker, Sir, there were two issues raised; one is on our main trust account. The exit interview on this has been conducted just very recently, Mr. Speaker, Sir, on 9th August. In fact, this month, everything has been cleared, no irregularities noted and as I have stated, the acting Auditor-General was present in that exit interview, so that can be taken off the list.

Secondly, Mr. Speaker, Sir, on the Risk Management Framework, I have the draft copy here with me. We are looking at signing it around mid-September, once all the final editing is completed. But let me just put context to some of the issues, Sir, particularly on the main trust account. There were a lot of organisational changes in the Ministry and some of these issues raised were as a result of the changes that were happening.

The Ministry of Rural Housing used to be with the Ministry, it is now under Community Development and Housing. The same thing, the Meteorological Services, in 2018 we were together as a Ministry, Meteorological Services and Disaster Management but now it is back with the Ministry of Infrastructure and Disaster Management is back with Rural Development and this led to some of the issues raised but of course, the good thing out of all this, Mr. Speaker, Sir, and I would like to mention this here that now there is a database established. Previously, a lot of things were done manually and we are thankful now that the management of course, in consultation with the Ministry

of Economy and the OAG have managed to have this electronically. Therefore, a database has been created about projects and allocations, et cetera, and this database is then matched against trust account reconciliations and thereby the contents of the database and reconciliations with the General Ledger were substantiated and reviewed with the Auditor-General's team. So that has been a significant change as well in terms of improving processes and systems within the Ministry. This is the positives that we get out of audited reports and of course, give assurance that we are addressing the issues raised and of course, are focused on good governance and best practices, Mr. Speaker, Sir.

I have mentioned about the Risk Management Framework. I have the copy here and we will finalise our own editing and the final approval is likely to take place in the next two weeks and of course, this document will then be readily available as well.

Mr. Speaker, Sir, on the issues raised regarding the RFMF, there were two issues raised. Let me say that the RFMF audit charter, as highlighted will be signed next week when the Commander RFMF returns from the Maldives and the Risk Management Framework will also be ready in mid-September as well and that definitely, will address the issues that were raised concerning the RFMF.

With the Fiji Police Force, Mr. Speaker, Sir, on the Operating Trust Fund. The Fiji Police Force has done all their investigations and of course, as alluded to by the Chair, they have noted that there were no loss of government fund but there was misallocation. This has been tidied up with the Ministry of Economy, so that it can be written-off and on the Revolving Fund Account, as already alluded to as well by the Chair of the Committee that they have managed from an outstanding amount of \$102,000, they have now come down to \$6,908 and the difficulty that they are facing, Mr. Speaker, Sir, is again on their manual records because some of these transactions were done probably involving the use of LPOs and other means.

I also wish to give assurance that with the Fiji Police Force, one of the issues also highlighted earlier in probably one of the audited reports for the Fiji Police Force, was for them to have an internal audit committee and let me assure this august Parliament that one of their Assistant Commissioners is now responsible, that committee has been formed and there are three members of the committee, apart from the Chair who is one of the Assistant Commissioners, an Assistant Superintendent, together with one Inspector and one Corporal. That briefly highlights some of the responses that the agencies have taken in response to the issues raised by the Office of the Auditor-General and highlighted by the Committee and I support the motion.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to make a contribution to this debate. Firstly, I thank the Committee and the Chairman for scrutinising the Report. Sir, my Government has made significant progress since it was elected to resolve many of the inherited financial failings of past governments. We have listened to concerns of the members of the public addressed many outstanding issues in the numerous audit reports, and improve government's overall service delivery, raising it through the best chances and at least the last half century.

There is more that can be done, Mr. Speaker, Sir, if there is a theme to this session, it is that improvement is a continual process and this Government will not rest on its laurels. On the audit issues that were raised to the eight high risk ministries, Mr. Speaker, Sir, I would like to assure this august Parliament that this inefficiencies have been addressed and brought under control through the signing of a host of recommended measures coupled with stringent policies and effective management of a vision risk strategy.

Mr. Speaker, it is critical to note here that during the review period, 86 percent of the audit recommendations were implemented, whilst 14 percent are not. This demonstrates that Ministries and Departments have since improved their adherence to the Finance Instruction of 2010, Financial

Management Act 2004 and International Auditing Standards. In addition, they were notably significant improvement in accounting functions and services, following the establishment of monitoring compliance, a governance section to ensure effective implementation of recommendations of the eight Ministries.

Mr. Speaker, the development and adoption of the Risk Management Framework by the majority of agencies is the testament to my Government unwavering commitment to the principles of transparency, accountability and good governance in its operations and administration.

Generic issues that were raised in the Consolidated Audit Report is the management of various trust fund accounts held within Government Ministries such as the Ministry of Agriculture, Ministry of Education, Ministry of Health and Ministry of Rural and Maritime Development, to name a few.

Mr. Speaker, while the Office of the Auditor-General has highlighted measures to address its anomalies, the respective eight Ministries that embarked on the review and establishment of an internal audit committee to undertake a first-hand review and address issues before been independently audited.

In addition, Mr. Speaker, the Ministry of Economy is collaborating with the Ministries to ensure that they perform their reconciliations on a timely basis and to guarantee that internal control mechanism are firmly in place.

I am pleased to share that the Ministries have established their dedicated Compliance Review Team to strengthen internal control environment and to drive business process review through the Open Merit Recruitment and Selection (OMRS) System. Mr. Speaker, Ministries were able to appoint highly qualified and competent individuals to the position of Head of Finance and Accounts Officers. Timely submission of accurate and quality financial statements are now been prioritised to the Office of the Auditor-General and to address audit queries. The same is expected from all of my Government Ministries.

In summary, Mr. Speaker, I would like to reassure this august Parliament that many of the issues raised in the Report have been addressed. Various Ministries have been seen implementing the Risk Management Policies through the prudent Financial Management Act and embedded its improvements in the individual Ministerial Strategic Policies and Operational Plans.

Based on these remarks, Mr. Speaker, I, therefore, do support the motion.

MR. SPEAKER.- Honourable Members, I still have four speakers on my list but time moves on. We will now take a break for lunch and when we resume, the first speaker will be the honourable Aseri Radrodro, followed by the honourable Minister for Agriculture, the honourable Minister for Education, Heritage and Arts and Local Government and the honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources, so in that order.

We break for lunch.

The Parliament adjourned at 12.34 p.m.

The Parliament resumed at 2.33 p.m.

MR. SPEAKER.- Honourable Members, we will continue with the debate and I give the floor to the first speaker, honourable Aseri Radrodoro.

HON. A.M. RADRODRO.- Mr. Speaker, Sir, thank you for giving me the opportunity to contribute as a member of the Public Accounts Committee on the motion before Parliament.

Mr. Speaker, Sir, let me start that this is a bipartisan report that all Members of the Committee have agreed to the recommendations that is in the Report. I would like to acknowledge and thank the Ministries for giving us an update of the respective Ministries and Departments commitments to the audit issues that have been raised.

Mr. Speaker, Sir in addition to the report before us, I would like to comment on the effort and the time that has been taken by the Office of the Auditor-General to do this special exercise. Special exercise meaning to say that they take an effort to conduct this special audit in the implementation of the recommendations they have put through in the audit of the whole of Government accounts in 2017. They did this exercise in 2019, one year after the audit was conducted, the recommendations and yet they have highlighted some of the deficiencies in terms of full implementation, partly implemented and the non-implementation of the audit recommendations, Mr. Speaker, Sir.

I think some Members on this side of Parliament have already highlighted that there are important issues, a lot of activities that are happening in the Ministries since the time of the audit, in which the Office of the Auditor-General could efficiently and effectively divert their resources to. For them to take up these special activities in chasing up the implementations of the recommendations is a bit of a concern and that is why we had directed the recommendations accordingly, Mr. Speaker, Sir.

I think the Auditor-General has properly highlighted why the audit was undertaken on these ministries as a basis of high risk classifications, as has been highlighted. The audit was undertaken due to various factors such as large number of year-end transactions, high budgetary funding being implemented, implementing agencies for Government policies, extremely complex transactions and specialised niches of operations. These are very important aspects in terms of how the Auditor-General had conducted its activity, Mr. Speaker, Sir.

Also, in addition to that, the Auditor-General has also highlighted the limitations of their act and the limitations in the way they conduct their activities. We have also highlighted that the Auditor-General reports to Parliament with recommendations to improve the performances or enhance accountability of public sector entities. The Auditor-General is not responsible nor does it have the powers to enforce the implementation of these recommendations. I think it is very clear that the role of the Auditor-General is only limited to highlighting the issues to the respective ministries and departments. It is the responsibility of the Permanent Secretaries as Chief Accounting Officers to address these anomalies that have been highlighted by the Auditor-General.

It raises another question, Mr. Speaker, Sir, so when these Permanent Secretaries, Chief Accounting Officers are not doing their jobs, as highlighted by the Auditor-General in this report and also in the previous report, who will be responsible for addressing these certain officers when they are not implementing the recommendations to improve the accountabilities of the various entities, Mr. Speaker, Sir. I think in addition to that, as a matter of good governance, all public sector entities should have systems and processes to consider and implement recommendations of the Auditor-General.

We have heard that a few Ministers have already highlighted that they are addressing the issues, but we have to wait until the next cycle of audit reports to see whether the issues that have been

highlighted here will continue to re-emerge. You have said that the Acting Auditor-General is now part of the exit interview which is a normal process of auditing, Mr. Speaker, Sir. We hope that it will not influence them to water down certain issues that needs to be brought to Parliament for discussion. With that brief summary, Mr. Speaker, Sir, I commend the report to Parliament.

HON. DR. M. REDDY.- Mr. Speaker, Sir, I note the urgency in no.7, Ministry of Agriculture's audit finding and the recommendations thereof. I want to begin by thanking our PS Agriculture and the team finance and operations at the Ministry of Agriculture for turning around the operational issues to get a clean bill from the Office of the Auditor-General (OAG) over the last two years. Over the last two years, we got unqualified audit reports from the OAG so we want to report to Parliament that we do take the issues raised by the OAG very seriously.

We, at the Ministry of Agriculture of course, and all the other ministries want to ensure that we get the maximum value for taxpayers money and that we get through the budgetary allocation. We want to ensure that in that process, we are able to really push on to the maximum with regard to individual ministries, and in this case, the Ministry of Agriculture's output in national interest as well as the interest of all the stakeholders that are involved in the agriculture supply chain process.

Mr. Speaker, Sir, in this audit report, the Committee noted that out of the 11 recommendations, the Ministry of Agriculture managed to fully implement eight - there were three pending at that particular point in time. As I speak, all three have been taken care of. The first one is, the Government wage earners being paid from established staff vote. With the assistance of the Ministry of Economy and the introduction of a new monthly wage reconciliation format focusing on the regularising of the General Ledger and Payroll System last financial year 2021-2022, this has been resolved and the matter has been closed - so no more of that particular issue.

The second pending issue was the variances in inventory quantity during annual stock take. Mr. Speaker, Sir, a regular stock take is now consistent and up to par and this issue is now closed. The third one is the unsubstantiated TMA VAT charges. This has been dealt with and the matter has been closed. I want to assure Parliament, now that we are getting a clean record from the OAG, we have got to this point by ensuring that we got the right person to do the job in regard to this financial audit. Internally, we established and appointed a separate compliance team, reporting directly to PS so that there is no conflict with the payment and the operational side, and in the process regularly if there are some issues that are found, it is dealt with immediately rather than waiting till the end of the year.

Mr. Speaker, Sir, again, I want to commend the staff of Ministry of Agriculture right down to the frontline staff. All of them are involved in service delivery, all of them have done an excellent job and I want to thank the leadership of the Ministry, executive arm and the PS, Dr. Vinesh Kumar.

HON. P.D. KUMAR.- Mr. Speaker, Sir, thank you for the opportunity to speak on the motion that is before Parliament. As noted by the Standing Committee, the first two recommendations out of four have been fully implemented. The third recommendation, which is on the utilisation of capital expenditure budget, is partially implemented. This is being addressed by putting in several measures, for example, the Ministry has improved internal processes, which include a quarterly project performance reporting, to the Ministry of Economy on all capital projects. We have prepared and we are also following a clear set of guidelines for the various project implementation steps. Schools are given the guidelines which gives step by step instruction on what they need to do when implementing capital projects.

Mr. Speaker, Sir, we have now restructured our Asset Management Unit (AMU). The Unit will have specialised positions that includes project managers, engineers and quality surveyors and not just industrial arts qualifications, as was the case previously. Previously this Unit was managed by teachers

from the school system and they had not managed such big projects so that is one of the biggest change we have brought about at the Ministry.

We have appointed a Director Asset and Infrastructure Services from the private sector, who has extensive experience in project management amongst other things. We are confident that going forward, projects will be completed in a timely manner. To save time and money in implementing capital projects, the Ministry has produced architectural designs and engineering plans for the ablution block which is an approved plan from the municipal councils. Such templates ensure that the Ministry is construction ready. We do not have to wait to go through this process each time a school requests for an ablution block to be built in that school.

Mr. Speaker, Sir, we have arranged the DFAT to receive the approved plans for classrooms, ablution blocks and teachers quarters after the north project ends, which the Ministry can use without seeking consent from the architect or the engineer. These approved plans can again be used to build this infrastructure in any other school. Generally schools make a request to donor agencies as well to get the classrooms done or dormitories done and each time the request is made, it requires an architect to be on board, the engineering drawings to be developed and the preparatory phase takes a lot of time. To shorten the preparatory phase, now we have got approved plans. These plans are passed and it meets category five cyclone standards. This will greatly reduce the time taken during the preparatory phase as I mentioned. It will also assist in creating more standardised building structures in our schools.

Mr. Speaker, Sir, the Ministry carried out an assessment of secondary school infrastructure by filling in the infrastructure and facilities monitoring template. It is an exercise that we did this year and this assessment has helped the Ministry to use traffic light signals to prioritise school rehabilitation and repair works. Schools in the red category means urgent attention, amber reflects medium term attention that is within three to five years the school needs to be repaired or rehabilitated, and green indicates no issues, however, long-term attention is needed. We intend to complete a similar template for primary schools by the end of this year and use this information, not just for our annual budget submission process but also to reach out to the donor partners that wish to provide funding for infrastructure development.

In regard to the fourth recommendation, that is, the delay in finalising of financial statement, the Ministry is working towards this particular recommendation and we are following the guidelines set by the Ministry of Economy. In 2019 the finance section was strengthened by recruiting three managers. These are Manager Finance, Manager Procurement and Manager Grants with oversight of Director Finance. This has not only improved the functions of the Unit but has brought the level of accountability to the managers and this is one way of improving the various findings highlighted in the Report.

Mr. Speaker, Sir, the Ministry has also carried out business process improvements by automating a number of manual processes. One significant contribution to timely submission of financial statements, Mr. Speaker, Sir, has been the strengthening of SOPs and checklists with all staff, and making sure that the staff are aware of the SOPs.

We take the OAG's Report very seriously and also the recommendations made by the Standing Committee and the finance team, the corporate section, they normally go over these recommendations and they make sure that these recommendations are translated into action items which are put into the individual work plan. These are some of the ways through which we are trying to address the current issues which the OAG has found.

Mr. Speaker, Sir, finally I want to thank the Standing Committee on Public Accounts for this Report and also thank the Ministry for implementing some of these recommendations that was made by the Standing Committee.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, for the opportunity to contribute to the discussion on this very important paper which is the review on the follow-up of High Risk Ministries and Departments. From my point of view, I appreciate the work that has been done by the Office of the Auditor-General in terms of what has been reviewed here and also greatly appreciate the work of the Committee in putting this Report together and highlighting the kinds of things that need to be addressed by the ministries in carrying out their roles.

As Ministers we always want to make sure that the ministries are using the resources that are given to them in the best possible way to get optimal results for the benefit of the people of Fiji. Looking at the report Mr. Speaker, Sir, I notice that in the initial table given on page 7 it highlighted that the Ministry of Infrastructure and Transport (as it was at that time), had fully implemented 40 percent of the recommendations that had been outlined in the report.

As the Chairperson has pointed out today, as a result of a later follow-up all 20 recommendations have been addressed. But just two of these recommendations - while it was being addressed and because of the circumstances around those particular issues - could not be fully brought to a conclusion. The first is in relation to the variation between the Trade and Manufacture Account (TMA) for building cash book with the bank reconciliation. This has been a long standing issue with the Ministry of Infrastructure. Honourable Members will recall that back in the year 2012 there was an inherited fraud case that involved this particular Ministry where some of the staff worked together with suppliers to cheat the system out of what was supposed to be given and as a result of that, there was a court case in place and this is one of the issues that has also been there.

Since I joined this particular Ministry one of the things that we keep telling the Permanent Secretaries is that we expect our accounts to come with no qualification but this has been a long standing qualification with this particular Ministry - the fraud that happened back in 2012. It is because of that particular issue that we are still awaiting the outcome of the court case that we cannot complete this particular issue - it is awaiting that. So the things that were highlighted in relation to the variation between TMA building cashbook with the bank reconciliation, all the review functions around the bank reconciliations have been strengthened, job responsibilities have been changed, the way the cashbooks have been reconciled has been relooked at including the General Ledger, the ways in which the Standing Operating Procedures have been improved upon and the audit issue in regards to the anomalies picked during the bank reconciliation of accounts, could not be substantiated due to the missing documents of that particular case. So, this particular issue has been addressed but its final resolution will have to wait for the court to clear it.

The case has been dealt with in part by the court and the case has not closed. Legal opinions have been sought from the Solicitor-General to write off these variances from the Ministry of Economy but neither has responded so the audit issue on this variance will remain until the court clears that particular case. So, that is an issue for me as a Minister. It is a thorn in the flesh because no Minister wants to see any of their accounts with qualifications and this is obviously an issue around that.

The other one that we still have to fully get to terms with to fully reduce is the delay in the filling of vacant positions. Most of these has been done - the percentage at which the vacant positions have been filled has almost been completed but having changes all along with the ministry in terms of the structure of the ministry, the implementation with the Open Merit Recruitment Selection System, the Job Evaluation 2017, the undergoing reform of the Department of Works, the various realignment of departments within the ministry, the transition of the Fiji Meteorological Services into the ministry and National Disaster and Management Office out of it, all of that has led to some issues which means the filling of vacant positions. While there has been a dramatic improvement and the processes are being addressed, there is still a little bit left to be done.

Mr. Speaker, Sir, I want to thank the Committee again for the report and as Ministers we would like to see this kind of audit report because it allows us to keep our Permanent Secretaries who are the captains of our ship of the ministry, on board and we can make sure that we review the implementation of the resources given to the ministry for the best possible impact for the people of this country. Thank you Mr. Speaker, Sir.

HON. A.A. MAHARAJ.- Mr. Speaker, I would like to thank all the Members who have contributed and from PAC's point of view, we are looking forward to have Permanent Secretaries work hand in hand with the Office of the Auditor-General in fulfilling all the recommendations that has been recommended either by OAG or PAC.

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

Question put.

Motion agreed.

CONSOLIDATED REVIEW REPORT - ENERGY FIJI LIMITED 2019 AND 2020 ANNUAL REPORTS

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

That Parliament debates the Consolidated Review Report of the Energy Fiji Limited 2019 and 2020 Annual Reports which was tabled on 7th April, 2022.

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

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs tabled in Parliament the Consolidated Review Report of the Energy Fiji Limited 2019 and 2020 Annual Reports in April 2022.

The years 2019 and 2020 were filled with its own unique milestones and challenges for Energy Fiji Limited (EFL) with 2020 being the year that Fiji was hit with the first wave of COVID-19 cases. Like every other organisation in Fiji and around the globe, EFL too felt the brunt of its effect. With international borders closing and the tourism industry and businesses coming to a standstill, EFL sales declined significantly due to the drop in demand for electricity. Despite the odds, EFL managed to achieve a financial profit of \$66.79 million after tax in 2020 as compared to an audited profit after tax of \$63.74 million in 2019.

The Committee commended the great work carried out by EFL management and staff by keeping Fiji energized with managing assets over \$1 billion to working 24/7 during natural disasters while also working within the restrictions posed due to COVID-19.

While deliberating on the Report, it was evident that EFL had been continuously working towards ensuring ease of access to their services by a wide range of customers. Sir, EFL's presence and services are available in the four main islands of Viti Levu, Vanua Levu, Ovalau and Taveuni. Most of their customers are on post pay services.

For logistical convenience, domestic customers in the rural remote areas are on a pre-pay service as it is more economical for both the customers and EFL. Sir, EFL has used various digital platforms to ensure that customers are able to pay their bills conveniently through services such as M-PAiSA, DigiWallet, Internet Banking and EFTPOS. Given that the world is moving towards digital technology

such initiatives are welcomed. The move towards digital platforms were especially welcomed as it greatly helped Fijians pay their bills during lockdown without having to pay their bills during lockdown without having to put themselves at risk.

Furthermore, the Committee was very pleased to note that COVID-19 did not hinder EFL's ability to enhance the skills and knowledge of their staff as training continues to run virtually in 2020 despite the various limitations. In fact, EFL in association with JICA conducted two sessions of regional training on solar via online platform in March and November 2020 with 18 participants.

The Committee noted that EFL in collaboration with the Fijian Government under the COVID-19 stimulus committed to assist low income household by providing subsidy towards the payment of the monthly electricity bills. The Committee was pleased with the overall performance of EFL during the period under review.

The Committee applauds the hardworking EFL staff for their dedication and commitment in providing essential services to the people of Fiji despite the many challenges. Mr. Speaker, Sir, with those few words, I request you to open the floor for debate.

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

HON. M. BULANAUCA.- Mr. Speaker, Sir, I thought I was going to be the last, but since I am the first, I am thankful for that.

MR. SPEAKER.- There was a request for you to be first.

HON. M. BULANAUCA.- I support the Report that is before us with regards to Energy Fiji Limited 2019-2020 Annual Reports. The Standing Committee on Natural Resources always looks after reports that are five years and six years back. Now, it is only two years back which is good. The earlier the annual reports are brought into this Parliament, the better.

I thank the Board particularly with the Report here and the format that they have made and I wish to congratulate them. They are telling about themselves, who they are, the Board of Directors, the management team, Chairman's report, Executive Officer's report, Corporate Governance which they are there for and also key performance areas and the future that they are looking forward to of life after electricity and their financial statements and statistics.

It is a good format of reporting, Mr. Speaker, Sir. I just want to congratulate them on that particularly the EFL. Also with their recommendations, we thank them that they have profited of about \$66.79 million and with their entire 2019 capital expenditure of internal cash flow of \$78 million, that is good and EFL shareholder value increased to \$851 million which we support and congratulate them on that. The engagement of technological strategies in the media platform on QR codes as they want to improve their services to the customers as well, particularly for the billing system that comes through our e-mails.

On four, the promoting and developing of sources of renewable energy which I will further talk on. I am not familiar with the projects such as Ovalau Agro Photovoltaic Solar Project (I am not too familiar with that). The Climate Change Prevention Policy, maybe that is a private change mitigation policy, I suppose because we cannot stop climate change, it will come. The climate is going to change and we need to have mitigation policies along that line. I will be talking more along that line, Mr. Speaker, Sir.

I would also thank that the future plan is a 10-year power development plan. With all those

recommendations, Sir, I wish to further add that it is important particularly with the high rise of fuel cost, et cetera, we need to improve or increase our energy source for renewable source or national grid source, particularly the need to increase our biomass. We only have one biomass in Nabou, Nadroga, if that can be replicated in Vanua Levu so much the better because they have contributed a lot to the supply of energy to EFL. We can also encourage TFL to open up doors and take more energy from biomass here or in Ovalau or also in Vanua Levu as well.

Mr. Speaker, Sir, it is important to increase the capacity of these energy producers in Fiji to avoid going into diesel or fuel and also it properly uses waste, particularly timber waste around here in Fiji. It is important to increase the capacity of supply of energy from these energy factories and also increase the hydro throughout Fiji. We only have a few here but if there can be more hydros in Fiji particularly in Bua. There needs to be one in Wainunu, I have mentioned it before and I wish to repeat it.

The experts of water has already done their job many years back and it is feasible but it has not been carried out for the last 10 years to 15 years. The experts have mentioned that it is feasible but still they have not done it. So it is important to fill that hydro in Wainunu, the capacity is bigger than Bagata, Savusavu that supplies energy to Savusavu and Wailevu areas, et cetera. The capacity in Nuku, Wainunu is a bit bigger than that. It is important, Mr. Speaker, Sir, to identify those various areas and develop them to supply renewable energy. Also to increase solar everywhere as we have introduced electric cars, we need more energy all over Fiji to be able to feed our electric cars as they come across.

Mr. Speaker, Sir, it is important that this hydro and renewable energy are available in the rural areas where agricultural products, fisheries and prawns will need power for those cooling centres. It is important to extend or expand the development and growth of energy factories throughout the rural areas whether it is hydro or solar or wind, et cetera. It is important to increase the energy supply in the rural areas to be able to preserve the agricultural products in future. If you cannot do it, then we will be doing it next year but it is important to increase the supply of energy throughout wind, biomass.

HON. MEMBER.- Waves.

HON. M. BULANAUCA.- If you can get energy from water, that is fine. It is important, Mr. Speaker, Sir, to increase development in the rural areas where this can be supplied. In Bua, still there are also hydro areas that have been identified but not implemented. In Nasowana, they have not done a feasible study there. Also in Dama in Driti and Lekutu, these are areas where the experts need to explore the need to provide increased energy in the rural areas.

It is important, Mr. Speaker, Sir, to increase all these particularly, solar for villages. It is important that we change from diesel to solar. In my own village, we have been waiting for the last 10 years for solar but it has not come. We were one of the first generator-powered, but it is not working now and we need solar, so as in Cogea, honourable Jale Sigarara's village as well. It is important that this comes, the sooner the better. If you cannot do it, then we will do it next year.

I support the motion that is before us, but I also like one chapter here where it says, "Life after electricity"; I like that.

(Honourable Member interjects)

HON. M. BULANAUCA.- You listen. Not life after dark.

(Laughter)

It is life after electricity. I like this, it is good. We need light, we need guidance and we need the truth for the future. Also it is important for us. Life after the elections this year, it will be very interesting. The lights will be revealed, it is important.

Just to conclude, Mr. Speaker, Sir, it is more important, it is life after death. There is no other way, only Jesus Christ, the way, truth and the life.

HON. I. KURIDRANI.- Mr. Speaker, Sir, thank you for allowing me to make a brief contribution to the debate in Parliament. I will drive your focus directly to the Chairperson's foreword on paragraph 2, and I quote:

“With international borders closing and the tourism industry and business coming to a standstill, EFL sales declined significantly due to a drop in the demand for electricity. The Committee commends EFL for achieving a financial profit of \$66.79 million after tax in 2020, as compared to an audited profit after tax of \$63.74 million in 2019 despite the odds.”

That is very amazing and I thank the EFL for this milestone achievement, despite the odds, they still made profit.

I will refer you, Sir, to the findings and recommendations by the Committee, No. 2, and I quote:

“The Committee was pleased to note that EFL funded the entire 2019 capital expenditure from its internal cash flow of \$78.2 million. It was further noted that EFL's shareholder's value increased to \$851 million at the end of 2019 in comparison to \$805 million in 2018. The EFL's total asset value rose to \$1.41 billion at the end of 2019 up from around \$1.38 billion in 2018.”

That is quite amazing, Mr. Speaker, Sir.

Mr. Speaker, Sir, Recommendation No. 7 stated, and I quote:

“The Committee noted that EFL debt stood at \$190.53 million as at December 2020 compared to \$219.74 million as at December 2019; a reduction of \$29.21 million. EFL has a low gearing debt ratio and is primarily due to the profit recorded in 2020.”

Sir, the indicators showed that EFL was performing very well, but in 2021, it is strange that the Government decided to sell the 44 percent shares. If a company is performing very well, why do we have to sell the shares? I understand that to sell shares is a source of income for a company that might be struggling, a company that wants to diversify and expand, but here according to the financial indicators, EFL was doing very well. My question and concern is, why did the Government sell those 44 percent shares? It is strange.

HON. MEMBER.- Why?

HON. I. KURIDRANI.- Sir, it is strange, because of this sale of shares, it confirms one thing which is that the EFL financial position was fake or information and data were distorted. It does not reveal the credibility and integrity of the EFL financial performance as indicated in the Annual Report because you sell the shares to get money.

HON. DR. M. REDDY.- Research!

HON. I. KURIDRANI.- Why is he talking about research? You do not understand what research is. Sir, that is what I am saying. My understanding is when you sell shares, it is a source of fund to the company.

HON. A. SAYED-KHAIYUM.- You are wrong there.

HON. I. KURIDRANI.- If the company, it is stated here that the company itself funded its own capital investment.

HON. A. SAYED-KHAIYUM.- So it should.

HON. I. KURIDRANI.- From its cash flow. Yeah! So it sounds it is in a very good financial position situation. Then why sell the shares.

MR. SPEAKER.- Order!

HON. I. KURIDRANI.- Why sell the shares? And for the sale of shares, it is this restructure of the board: EFL ownership structure changed on the 9th of June, 2021 after the Sevens Pacific Pte Limited acquired 44 percent of the shares and this will need four directors to be appointed by the government and three directors from the 44 percent shareholders from this foreign company. I do not understand the logic why this Government sell 44 percent of shares of EFL for the people of Fiji to a foreign company when the company itself was performing very well. Thank you, Sir.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to contribute on the motion on EFL. The findings and recommendations as stated, I would like to highlight No. 4. There is a mention there about projects in relation to renewable energy: Ovalau Agrophotovoltaic Solar Project and my understanding is that, this has been held up due to COVID-19. But if you look at page 13 of the Report, there is an update there which indicates that it is a project just for our information – Green Climate Fund.

It is quite an interesting project because it interfaces with agriculture activity. The total project cost will be US\$3.9 million and can be safely exported into the EFL grid. It is a sustainable and integrated approach to ensure food security and also ensuring that Ovalau Island has 100 percent renewable energy by 2025. So it is a very positive project, interesting and we hope that is progressed soon because from the information we have, it is being held up due to COVID-19 issues regarding the implementation and materials.

The other one I thought that I highlight is on No. 5 – independent power producers. This is also a key element in our energy plans for the nation and as highlighted by honourable Bulanauca, the Nabou Biomass. The last time we visited there, one of the issues was the supply of material to be burnt, biomass or logs, timber. However, the problem arose because of the planting of those materials and issues with the plantations and one of the suggestions we came up with was if there could be further discussions with the Nadroga Provincial Council, Ba Provincial Council on the supply especially with some of the materials which are there and which are considered to be invasive species such as the African tulips which are around. So that is another possibility and we are hoping that will be progressed so that that plant is operational.

Mr. Speaker, Sir, I would like to raise issues from the Report. I think it is critical even though the recommendations are there we had highlighted various issues and if you look at the financials there is emphasis of matter on page 54. Let me read it out: “The Company has been recording assets generated from the Rural Electrification Scheme as part of its property, plant and equipment in the

books of account (Note 11) over the years. Government is yet to transfer the ownership of these assets to the company”.

So if you look at page 28 it highlights the importance of rural electrification and it has progressed and that has to be acknowledged, 70 Rural Electrification (RE) Schemes were constructed in 2020 to connect new customers. These RE Schemes were totally funded by the Fijian Government to energise the nation and citizens.

As a result of the commissioning of the above Rural Electrification schemes the total number of customers rose by 3.3 percent contributing to the total customer base of EFL. That Sir, is again another critical area of activity of EFL however, as I mentioned there is an emphasis of matter on rural electrification. This means that EFL has not included the Rural Electrification Scheme assets in its property, plant and equipment and it has not been properly transferred. The question is: when might this be formally transferred to EFL?

The other one highlighted the Review of Impairment of Assets with zero book value that has not been done if the assets are in use then it has some economic life and should reflect an increase in asset values in the balance sheet.

The question there is why was this not conducted? There is also the issue on note 3.1 - Risk Management on page 78 – Financial Risk Factors the financial assets of the company totalled \$159.8 million comprising short term deposits, receivables, derivatives - this is more than sufficient to cover the financial liabilities of \$52 million comprising trade and other payables, interest bearing borrowings and derivative financial liability. However, the excess of the financial assets of \$107.8 will not be sufficient to cover the financial liabilities for two to five years of \$223.7 million and more than five years of \$57 million. So the question there is, can the company provide details on how it is going to meet its future financial liabilities especially trade and other payables and interest bearing borrowings totalling \$280.7 million?

Also on note 9 there is mention of Receivables and Prepayments. Receivables are those that owe money to the company however prepayments in receivable is confusing. What are the prepayments which is \$5.3 million and \$5.2 million in 2019 as the company paid more than it should to consumers?

Again, on Note 11 there is mention of Capital Spares of \$5.1 million which include an addition of \$285,000 and this was depreciated by \$238,000. If the company is maintaining this capital shares for specialised equipment it should only maintain the minimum that is required for the equipment to operate uninterrupted. The company should provide an explanation for maintaining high capital spares given that they are depreciated, there is a risk that the economic life of the spares is reduced if they are not used.

Those are some of the issues again from that Report. Also in Note 11 on page 82 - Capital Works in Progress that increased from \$89 million in 2019 to \$118.9 million in 2020, indicating work on transformers and other projects which were largely responsible for the \$30 million or so increase. The company might need to provide the basis of this project whether they meet the Government’s 5 Year Development Plan, Strategic Priorities, SDGs and Investment in non-current Assets will mean a reduction in current assets. Although the current ratios appear strong now, is the company prepared for possible liquidity risk? Those are some of the questions which arise from the financials.

In Note 16, deferred income, it mentioned there \$116 million related to various projects that have not been completed. This includes the sum of \$86.2 million Government Grant for rural electrification.

Capital Works Projects totalling \$118.9 million, it is not clear whether the deferred income will be used to complete the capital work in progress.

Some of the questions which arise:

1. Can the company identify how much of the deferred income related to or will complete the capital works in progress?
2. For the deferred income funds; can the company disclose in the notes of the financial statements additional information on the percentage of work completed and when this work will be completed?

So those are some of the issues raised.

Of interest is the rural electrification. We do commend the progress in that, however, prior to that there were some audits done on the project. This rural electrification is done in cooperation with the Department of Energy. Let me highlight some of the issues regarding the audit from that. There is a need for more recruitment of staff, adequate training, et cetera.

That again is an issue as already highlighted by Government on technical skills:

- Application was not only supported by required documentation;
- Use of diesel generator schemes are not always utilised by beneficiaries;
- Approval for variations in parts, et cetera;
- Recoveries of community contribution could not be ascertained; and
- Records of maintenance and security of records is lacking.

So those are some of the issues highlighted from that time but in the lead up to this report some have been rectified but some are ongoing and the follow-up audit also indicates that. That is critical in terms of the implementation of rural electrification and the cooperation between EFL and the Department of Energy.

Finally, on the 5-20 year development we note there the targets under energy 3.1.2, there are various annual targets there from 2017 to 2022. It would be useful if this table is attached to the end of this EFL Report and updates provided on the progress in terms of these specific targets.

HON. V. NATH.- A Point of Order. The honourable Member is the Member of this Committee. The question he is asking he should have asked during the presentation as a Member of the Committee. This is bipartisan, he signed the Report. He wasted the valuable time of this august Parliament.

(Chorus of interjections)

HON. RO F. TUISAWAU.- Sir, my contribution is additional information for the Parliament and also it is very useful for the Committee as we move forward.

HON. S. ADIMAITOGA.- Why did you endorse?

HON. RO F. TUISAWAU.- I am opposing the Committee. I am just providing additional information.

MR. SPEAKER.- We will continue the debate.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to contribute to the motion by honourable Nath. We set out from day one as a government to level the playing field of Fijian society, uplift the disadvantaged and protect the vulnerable. That mission is only possible through access to reliable and affordable services everywhere in Fiji.

The provision of electricity to all Fijians in urban, rural and maritime areas by the year 2026 is a target that was set out in the National Development Plan (NDP) and is being steadily achieved through grid extensions, rural electrifications projects and decentralised renewable energy sources such as mini-hydro, solar, hybrid biofuel diesel operated generators and wind systems.

That is important Mr. Speaker, Sir, because as we extend energy access, we must also strive to limit the carbon footprint of meeting Fiji's energy demands. Fiji is committed to achieve net Global Emissions Offset (GEO) emission by 2050, in line with the commitments we are asking from the rest of the world. Energy Fiji Limited's vision of a sustainable energy sector is helping to provide clean and affordable energy solutions towards the goal of providing at least 90 percent of energy requirements through renewable of sources by 2025.

Mr. Speaker, Sir, the company remains on track in its effort to identify potential projects for biomass solar, thermal and hydro power production. It is also collaborating with independent power producers in Viti Levu and Vanua Levu to supply power to the grid. Government in its quest to leave no one behind increased its budget for rural electrification projects for the five years leading up to 2020.

In total \$52.25 million was invested for rural electrification from 2015 to 2020 which saw the completion of 435 projects around the country and connected 11,838 households. Through rural electrification, EFL has increased its customer base by 3.3 percent to 202,580 accounts in 2020 which included industrial, commercial and domestic customers.

Mr. Speaker, Sir, the Government initiative is underpinned by the national goal of energising all Fijians by 2026. As a result, the benefits of electricity access has spread to most Fijian communities, balance and inclusive socio-economic development was enhanced as electricity is the stimulator for economic growth and development and will ensure that every Fijian has equal footing to progress further in their development.

Mr. Speaker, Sir, the EFL's performance during the initial onset of the pandemic can be termed as truly remarkable as it still managed to achieve a profit of \$66.79 million after tax in 2020 despite the impact of the pandemic, such as the closure of borders and the standstill of numerous tourism-related businesses which resulted in lower electricity demand.

As the socially responsible company, EFL worked with Government to ensure that low income households still had access to electricity despite reduced working hours or job losses. As part of Government's COVID-19 economic stimulus package, subsidies totalling \$6 million and \$4.9 million were paid by Government and EFL respectively towards monthly bill payment for eligible low income households.

Mr. Speaker, Sir, the EFL through its 10 year tenure power development plan had outlined its forecasted and power generation scenarios up to 2026 for Viti Levu, Vanua Levu, Ovalau and Taveuni power systems and the investment plan required to implement the PDP. In 2020, it was estimated that around \$2.4 billion of investments is required. The company is exploring Public-Private Partnership (PPP) with the private sector and on bordering of independent power producers to realise the achievements of the PDP.

Given the substantial investment required Mr. Speaker, Sir, foreign investment on the renewable energy was highly encouraged and we have been promoted by Government given the importance of the sector in stimulating the economic growth.

I do concur with the Standing Committee's recommendations and I applaud the hard work of the EFL staff, the Executive Management and Board over the years and the company's remarkable achievements. Based on this remark, Mr. Speaker, Sir, I do support the motion.

HON. DR. I. WAQAINABETE.- Mr. Speaker, Sir, I would like to support the motion before the House. I just stand up and thank EFL for the wonderful work they have been doing.

Mr. Speaker, Sir, we at the Ministry of Health and Medical Services have seen EFL has become a very important partner in the work that we do. I have talked about in this august Parliament, the social determinants of health are also very important. Why it is important to have roads, why it is important to have water, why it is important to have electricity; because they all ultimately, indirectly affect health.

As I have alluded to earlier, EFL has been working and break that speed all throughout Fiji, in trying to ensure that we energise all Fijians. Our 220 facilities have also benefiting from it, so those, for example before they have to rely on the generator because of the availability of electricity, they have been able to attach themselves to the grid and we have been able to work it out.

Mr. Speaker, Sir, there have been on occasions also where we had to upgrade some of our facilities, for example, the Communicable Disease Lab up in Tamavua has now become the Fiji Centre for Disease Control. It had some very specific, very complex machines set into it and at some stage, we had needed to have the necessary rebooting done with electricity in that area. EFL was an important partner that came and supported us in doing this.

Mr. Speaker, Sir, I have made a short contribution and thanking EFL, thanking the Management and I want to finish by saying to my *Koko*, honourable Kuridrani that this company is one of the top ten companies in Japan. It is actually the 6th company in Japan, that becomes a shareholder of EFL. As you know that any shareholder does not necessarily mean that the company is not doing well. They are now bringing in their expertise, they are bringing in their professionalism, they are bringing in the efficiency, they are bringing in their consultancy in terms of their processes to be able to make EFL even a better company and I also support the work that they do with EFL. I thank you, Mr. Speaker, Sir.

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, I rise to contribute to the debate on the Consolidated Review Report of Energy Fiji Limited 2019 and 2020 Annual Reports. Firstly, I wish to congratulate EFL for continuing to provide the importance service, even in the back of a pandemic and even natural disasters such as *TC Harold*, *TC Sarai* and *TC Yasa* that caused extensive damages but I thank the workers of EFL for effectively restoring electricity, as fast as they could.

Mr. Speaker, Sir, once households are connected to electricity, the first and most immediate benefit is more light - this enable children to spend more times studying in the evenings, give adults more time and flexibility for completing household chores and allows home based income generating activities such as shops to continue later into the evening. More study time for children can lead to higher school enrolment and great attainment. According to an Article by UNDP in 2005, it says and I quote:

“... electrical lighting reduces households dependents on alternative lighting sources, most notably kerosene, they were lowering smoke and indoor air pollution and the probability of various respiratory diseases.”

It is with this outlook, weighing the many benefits of electrification, Mr. Speaker, Sir, the Fijian Government has targeted to achieve 100 percent electrification across Fiji by 2036. Mr. Speaker, Sir, this is an ambitious target but it is this Government that dares to set ambitious targets as such and injects the necessary resources, support and mechanisms to ensure we achieve this.

Not only this, Mr. Speaker, Sir, the target will also line to achieving the Fijian Government's commitment to have a more healthy and educated Fiji. I must commend EFL for its wonderful achievements, well aligned to the Government's plan. Notably, with the Government increasing its budgetary allocation towards rural electrification for the past five years, EFL has also increased its resources internally, increased the number of external electrical contractors who can be deployed for the timely construction of this Rural Electrification Scheme.

In terms of consumer growth in the last 10 years, the average growth rate is around 3.16 percent and currently stands at 209,146 as at 31st October, 2021. Sir, EFL rising above the challenges of the pandemic achieved a financial profit of \$66.79 million after tax in 2020, as compared to when audited profit tax of \$63.74 million in 2019. It goes to show that EFL was quick to expand on the various payments platforms available in the country and used these innovative methods to make it easy for consumers to make payments using alternative payment methods now available.

Mr. Speaker, Sir, I also wish to acknowledge the COVID-19 economic stimulus package, the Fijian Government and EFL committed to assist low income households, by providing a subsidy towards the payment of the monthly electricity bills, just as our honourable Prime Minister mentioned. The Fijian Government paid a total of COVID-19 discount of \$6 million for the entire year 2020 and EFL paid a total COVID-19 discount of \$4.9 million from April to December 2020.

Mr. Speaker, Sir, I wish to congratulate EFL for the construction of some 70 rural electrification schemes in 2020. The customer base was made up of 44,427 pre-pay customers as 161,153 post pay customers compared to 37,517 pre-pay and 161,503 post pay customers in 2019. Well done EFL, many congratulations.

Mr. Speaker, Sir, the increase in the accessibility to power in the most remote areas has no doubt improved the quality of life of many, many people. The study environment for school children has improved, communications have improved, extended hours for small businesses have improved, television which brings entertainment and information has improved, so overall, I must commend the work and the efforts of EFL and I thank every staff of EFL for their hard work, efforts and their achievements. I support the motion, Mr. Speaker, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the comments by the Committee is quite apparent in respect of the observations they have made. I think honourable Tuisawau talked about the interesting project in Ovalau. I think it is, indeed, a way forward.

The pricing, of course, is critically important in this particular respect, as we saw that, to have the entire project under the Agro Photovoltaic Scheme would not have necessarily given them the rates. So, now we have partially agro photovoltaic and the other part is just stand alone normal solar farm. We are also looking currently at Taveuni to have the similar system, where we can have the agro photovoltaic project supplying electricity to the EFL grid, which will give EFL the capacity to provide more electricity, cheaper energy and at the same time, cleaner energy.

Honourable Kuridrani brings me to this point, he has a very rudimentary understanding of companies, I think, which he displayed again. If you have a company that is in trouble and you sell the shares, you will get very little price for it. You will not get premium price. So his understanding is this, "Oh if a company is not doing well, let us go off and sell it." So it would have been like his

new party leader, that is what they did, they went and sold the Fiji Ships and Heavy Industries Limited. You have come out of the closet so to speak and you have now said that you are part of PAP. That is what they did with the Fiji Ships and Heavy Industries Limited. They sold it to a \$2 company.

In this particular case, honourable Kuridrani failed to mention that FEA as it was known and it is now EFL, was corporatised. Government took it through the various steps. We then said that we are looking at divesting shares, FNPF, Sir, bought 20 percent of the shares for \$206 million. In less than two years, Sir, they sold the same number of shares to Sevens Pacific Pte Ltd for \$236 million. They made a whopping profit of \$30 million in less than two years.

Now, they talked about FNPF not doing the rightful investments, this is the kind of investments they are making. Strategic investments, knowing fully well the value of the company will increase, knowing fully well that Government had gone out to international tender, we had roadshows internationally and during even the COVID period, we had people coming in, staying in the quarantine areas and doing the due diligence. The company that has bought Sevens Pacific Pte Ltd, Sir, is a consortium of Chugoku Electric Company Ltd, which is one of the leading electricity companies in Japan which also has their international footprint and they have enormous knowledge, knowhow, technology, access to technology, access to technical people in the renewable energy space.

Secondly, Sir, the other shareholder is JBIC – Japan Bank of International Corporation. Everyone knows, honourable Gavoka knows this, he has had some association with Japanese people in the past, he knows that Japanese companies, Sir, are very well-renowned for their ethics, are very well-renowned for their adherence to environmental standards, are very well-renowned in terms of accountability and transparency. They like to play in a level playing field and one of the reasons also, Mr. Speaker, Sir, and again this is the lack of sophistication on the other side, is that, they would only participate in the market where they know that there is no political interference with the affairs of the company.

One of the major reasons why FEA for a number of decades had very weak balance sheets is because previous Governments and Ministers played around with the tariff rates. So, it was election year, they would say reduce the tariff rates or do not increase the tariff rates even though they were paying higher rates of what we call the high density diesel because in those days, there was very high usage of high density diesel. We still use it today but less, so they would play around with it, so as a result, FEA's balance sheet was very weak.

Today, Sir, even though they have a couple of hundred million dollars of loans, there is no Government guarantee. Before to the tune of nearly \$400 million, FEA subsequently EFL was Government-guaranteed. Today, none of the loans of EFL is Government-guaranteed. So you see they do not understand how balance sheets work and as a result of that, Sir, we are now seeing a lot more investment. What he is talking about how they are able to fund their capital investment through their own cash flows, yes because they have got a strong balance sheet, because it is being run properly. It is not being interfered by some Ministers picking up the phone and saying, "Do this, do that or hire my cousin, my uncle or my aunty." No one does that. That is what used to happen. We had mates running the show with absolutely zero knowledge of how to run an energy company, how to actually have professional services in an energy company. So that is one of the reasons. They think that you are making profit this year, let us continue that way. No, there is enormous potential for it to grow.

As the honourable Prime Minister has announced, we need to go net zero emissions by 2050. We need to get there. Viti Levu has about 60 percent of energy generated through hydro – Monasavu but if there is a drought (we have climate change), you could have electricity not being generated by hydro. We have to rely more heavily on diesel, so we need to look for more renewable energy sources.

We need more renewable energy sources in Vanua Levu, in Taveuni, in Ovalau, in Kadavu and just at the awards night on Friday night and I would like to thank once again the staff who were there. You could see the camaraderie, the happiness amongst the staff because they also now get rewarded on PMS – Performance Management Systems, where individual staff are all assessed. You perform, you are actually recognised.

Mr. Speaker, Sir, just at that function, there were about five or seven Japanese experts that came from Japan. They are here, currently, looking at various opportunities whether it is biomass, hydrogen, hydro, mini hydro schemes or standalone schemes, they are looking at all of those options and how they can invest because for them, it is also a matter of pride to be able to help Fiji to achieve its net zero emissions. So, these are the kind of strategic partners we wish to participate in and are looking for.

Mr. Speaker, Sir, the other point that I also wanted to make is in respect of that was the independence of FCCC and that is some of the reason why they are also quite keen because FCCC is independent, it does its own assessment. Should they tomorrow make an application to say “look the price of diesel has gone through the roof, we have not increased the tariff rate for the past four-five years, we need an increase” FCCC would carry out its own investigation, own public hearing, own public consultation, they will come up with the tariff rate and even though it is Elections this year or early next year, FCCC will be able to do its job, we would not interfere and that is the reason why they have confidence and that is how you create a conducive environment for private sector investment.

Mr. Speaker, Sir, the other point that I also wish to make is that, which is critically important is in respect of climate change. We had just in terms of restoration cost the capital expenditure, we for example as a government if we say, “we need to connect that village” and to connect that village there may be only 20 people living in that village and to connect electricity to that village may actually cost half-a-million dollars. We do not expect EFL to go and do the connection because it does not make commercial cents for them. The government funds them, they tell us what it is, and they tell us what the cost is and we through the budget, which this Parliament approves, we pay for them and as announced in the last Budget, Sir, they also now do the black wiring, and in other words they do the entire contract. So, we pay for it and they do it, once it is connected the assets is theirs.

If tomorrow there is a cyclone the post falls down, it is not our responsibility but EFL’s responsibility because now it is EFL’s asset. So, that is the restoration cost and as we have seen during *TC Yasa*, the honourable Minister for Natural Disaster Management, the honourable Minister for Infrastructure will tell you and all the other Ministers, the honourable Prime Minister was there that some of the areas, Sir, the electricity posts were up, they went down, they were put back up, they went down, they were put back up, they went down, they were put back up, they went down again. That is the level of work that is required by EFL and we have very capable people working in EFL, high voltage linesmen and women who work on those lines and in fact, Sir, they do their work so well and a lot of them are being poached by New Zealand because New Zealanders do not want to do the job that is the kind of what we call change in professional preferences that is taking place and Fiji is providing a feed for this people.

So, this is why it is critically important that the company does well, the company rewards its staff and unfortunately, honourable Kuridrani’s new party member made a statement outside when the PMS was given; “oh! These people are useless” the electricity comes down all the time then the Party leader disassociated himself saying, “that is her own personal comment, not the party’s comment”. Unfortunately for him, the hypocrisy was that the worried comment, he did not disassociate himself from it that is hypocrisy that is where you are going to.

Mr. Speaker, Sir, the other point that I also wish to make that the adoption of technology...

HON. I. KURIDRANI.- Point of Order

MR. SPEAKER.- Point of Order

HON. I. KURIDRANI.- A point of Order that the honourable Minister is misleading Parliament. I have not confirmed to join any other political party. He is wrong in saying that I am joining PAP, I have not confirmed anything.

HON. J.V. BAINIMARAMA.- You are only joining the party that is going to win the Elections.

(Laughter)

HON. A. SAYED-KHAIYUM.- Sir, before I forget, the shares in EFL at the moment is 51 percent owned by the Fijian Government, 44 percent owned by the Sevens Pacific Pte. Limited and the reason why they actually called it Sevens because Fiji won the Sevens in the Olympics and that is why they call the company Sevens that is the consortium. The balance of the 5 percent shares owned by ordinary Fijians. If your household income is \$30,000 or less, you get 250 shares. If your household earns more than \$30,000 a year, you get 150 shares, ex gratia in other words free, anyone can apply for it. It is applicable to any Fijian that has electricity connectivity that is how we are empowering ordinary Fijians.

The other point that I also wish to make is the adoption of technology. Again the point we like to highlight, Sir, is this - as I mentioned earlier on before lunch, one of the reasons why we are able to adopt and roll out so many services through M-PAiSA, MyCash and internet banking (all of those platforms) is that we now have people who have access to this technology, and the companies are now adopting this technology. If tomorrow we go out here drive down the street you get booked for speeding you pay the fine using your phone. You do not have to queue up at Land Transport Authority (LTA). If you want to pay your electricity bill you can pay it through M-PAiSA or MyCash, and internet banking. This is making services a lot more friendlier and making services accessible to ordinary Fijians. We would like to thank EFL for those and there is lot more that they are planning to do.

The other point that was also highlighted - the honourable Prime Minister has covered that in respect of renewable energy and other Members have covered that too - we would like to of course thank EFL for the enormous amount of work that has been carried out by them notwithstanding the fact that there is criticism. One last point I would like to make, Sir, is that we need to ensure that we have redundancies. At the moment when there is a cyclone you have the main line coming from Monasavu down to Vuda. If somewhere along the bush the line gets broken, there is no other connectivity. Assessments have been done in order for us to actually build a redundancy line, it will cost tens of millions of dollars and that is what we are talking to EFL about.

In the same way as we announced in the Budget, the Budget has been presented and approved by Parliament, we have allocated a million dollars to have a fibre-optic cable, a different company, land in the Western Division of Fiji. If God forbid, as I mentioned earlier on, if you have a volcano or some other disaster that the Southern Cross cable which lands in Vatuwaqa, gets blown out of action we will be cut off from the rest of the world. All these things that we take for granted - sitting here tweeting and all those sort of things and making phone calls to people - we will not be able to do.

Tonga was out of action for nearly over a week. Even the satellite phones were very hard to connect. So, we are building redundancy and we have two lines. In the same way we need to build redundancy in the EFL connectivity, and that is one of the major projects. We are looking at how Government can collaborate with EFL shareholders to build redundancies so we get less downtime as far as electricity connectivity is concerned.

The last one I would like to make is that EFL has now become such a model in respect of the way it has been managed and controlled, and the forward looking positioning it is doing in as far as renewable energy is concerned, is that other countries in the Pacific are also interested. In the same way that Amalgamated Telecom Holdings Limited (ATH) in the recent past, has acquired shares in countries like Samoa. It is looking at Solomon Islands and various other companies because of the way ATH is being run. We are looking also at EFL organisations like ADB where they are helping countries like Solomon Islands.

Electricity rate in Fiji, Sir - domestic rate is 33 cents a unit. In countries like Solomon Islands and various other countries in the Pacific it is \$1.50, \$1.40, \$1.70 a unit. So, they are looking at how they can replicate that model in those countries and we have enormous potential for EFL to provide bigger footprints and share its knowledge and wisdom with the rest of the other Pacific Island countries. I would like to take this opportunity once again, Sir, to thank the CEO of EFL, the hardworking staff and of course the Board that is currently overseeing the work carried out by EFL. I support the motion on the floor.

HON. V. NATH.- Mr. Speaker, I have no further comment but I thank all the honourable Members for their contribution.

Question put.

Motion agreed.

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 Orders 23(1) is suspended so as to allow the Parliament to sit beyond 4.30 p.m. today to complete the remaining items listed on today's Order Paper.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, very briefly under Schedule 1, we still have an item on today's Order Paper and, of course, the six Oral Questions under Schedule 2 and one Written Question, thus the request to sit beyond 4.30 p.m.

Question put.

Motion agreed to.

REVIEW OF THE COMPLIANCE AUDIT REPORT

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

That the Parliament debates the review of the Compliance Audit Report which was tabled on 7th April, 2022.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, at the outset the contents of the Compliance Audit Report on the four key audit areas were thoroughly examined and scrutinised by the Committee, prior to the scheduled public hearings conducted with relevant agencies. The four audit areas were:

1. Commencement of Quarry Development Projects and Appointment of Certified Foreman-in-Charge;
2. Government Payroll System;
3. Financial Management Information System (FMIS); and
4. Fiji Education Management Information System (FEMIS).

The audit covered the laws where the Department of Mineral Resources derives its powers to issue approvals of Quarry Development and the ambiguity it may have stipulated in the applicable laws. It also covers the process involved and lack of documentation when appointing a qualified Foreman or Quarryman to oversee quarry development projects.

Further, the audit focuses on the application of proper controls in the payroll system of the Ministry of Education Payroll Section and in its Financial Management Information System, and an IT audit on the IT governance structure and IT Operations that should deliver and meet the IT needs and requirements of the Ministry of Education, Heritage and Arts as part of the background information.

Mr. Speaker, Sir, at this juncture, I wish to extend our appreciation and commendation to the relevant Ministries and Departments involved in the compilation of this Compliance Audit Report. Much needed effort and improvement was evident throughout the implementation phase showing the ability of Ministries and Departments to be better stewards towards the people and our nation.

Mr. Speaker, Sir, the first area of audit is on the Commencement of Quarry Development Projects and Appointment of Certified Foreman-in-Charge. Despite the highlighted findings by OAG, the Committee was advised that the Mineral Resource Department has been able to rectify around 90 percent of the issues highlighted by the Office of the Auditor-General. Also, in order to address better coordination information sharing amongst relevant departments, audit meetings have been undertaken with other relevant agencies in terms of information sharing.

The Department of Mineral Resources (DMR) has commenced discussions with FRCS for a MOU for information sharing in relation to the importation of mobile crushers. However, with other agencies like TLTB and Department of Environment who are other proving agencies for the development of quarries, DMR relies on individual department's professional courtesy to inform them of any new potential quarry developments.

Mr. Speaker, Sir, Department of Mineral Resources has also indicated that their main focus of review in the Mining Act which has been approved by Cabinet with the assistance of other donor agencies, is to conduct a gap analysis on the current Quarries Act. Additionally, improvement on record management to capture information relating to quarry men and quarry development has been maintained by DMR through the use of Excel to keep a digital copy of the quarryman's records with a stringent checklist to be adhered to when acquiring a quarry development approval.

The second area was the audit of the Government payroll system. The Committee, during its deliberations, noted a major improvement by the Ministry of Economy as follows:

1. All payroll files are loaded on a secure bank portal except for Home Finance Bank, that is, bank files are encrypted using an encryption programme before being sent to the banks.
2. Changes to the payroll system whereby the Ministry is continuously upgrading the payroll system and its reporting requirements to ensure that the payroll is compliant to FNPF, FRCS, General Ledger and related stakeholders requirement with adequate training and presentation on the changes in the wages process. Quarterly user group meetings are conducted to communicate changes made in the payroll system.
3. The Ministry is currently undergoing a review of the financial regulations and all the changes in the payroll system processes with the user manual, is made accessible to all payroll users.
4. In terms of data accuracy and completeness, Ministry of Economy has a data report which is generated every pay and used by ministries and departments to update information which is missing as and when identified.
5. The Ministry of Economy and the Ministry of Civil Service are looking to finalise the integration of a payroll system and Human Resource Management Information System in the new financial year. The integration will ensure that the current and future HR information system will be able to integrate employee details. On this note, Mr. Speaker, Sir, due consideration has been undertaken by the Minister of Economy in ensuring that full compliance and monitoring are progressively factored into the Ministry's system and processes to address the highlighted issues by the Office of the Auditor-General.

The third area, was the audit of Financial Management Information System. Mr. Speaker, Sir, the Ministry of Economy advised the Committee that they have developed a Business Continuity Plan and Disaster and Risk Management Framework which will come into effect in December 2022. The objective of having a Business Continuity Plan and Disaster Recovery Plan with the associated control is to ensure that the organisation can still accomplish its mission, and this will not lose the capability process, retrieve and protect information maintained in the event of interaction or disaster, leading to temporary or permanent loss of computer facilities.

The FMIS is making use of infrastructure as a service provided by ITC and also needs to consider how the system can be recovered in the events of hardware failures, network failures, programme failures and other unforeseen circumstances. However, Mr. Speaker, Sir, audit had noted that the Department of ITC is providing MOE with the infrastructure as a service, by hosting the FMIS server at their data centre and also providing network related services.

However, there is no service level agreement or MOU between MOE and ITC in accordance with Ministry's response, that the drafting was earmarked to be completed by the end of December 2021 to demarcate clear lines of responsibility. Additionally, the audit had highlighted that the FMIS section does not have an IT strategy but works in consultation with the Department of ITC for procurement and execution of its IT projects. In July 2022, the strategic plan had been finalised which will address COVID-19 implications for the next three years to build resilience within the Ministry's recovery plan.

Also audit of FMIS noted that there is no Risk Management Framework present in the Ministry to facilitate the design and development of its Risk Management Plan in order to identify and document the risk with controlled measures and will mitigate the risk identified or to be kept at

a minimum. However, Mr. Speaker, Sir, it is worth noting that the Ministry of Economy (in its response) reported that the Risk Management Plan is currently being spearheaded by the Treasury Department. The Asian Development Bank is funding a Risk Management Consultant to develop a comprehensive Risk Management Framework for the Ministry. It is important to note the Ministry of Economy has taken proactive action to implement those recommendations highlighted by the OAG.

The fourth one was the audit of the Fiji Education Management Information System. It is pleasing to note that for the audit of the Fiji Education Management Information System, the Ministry of Education Heritage and Arts (MEHA) IT Unit has been working closely with Government ITC regarding the IT plans, documentations and framework, as all have to be aligned to Government's ITC.

It was further noted that in view of highlighted audit issues, the Ministry has prioritised the work on the IT governance plan and system security. Identified reasonable actions undertaken are as follows:

- IT governance framework for MEHA. The Ministry has developed a draft IT governance framework in consultation with ITC for their feedback, which will be reviewed quarterly. This document has been vetted by ITC since July 2021.
- Business continuity plan and disaster recovery plan. MEHA IT Unit had developed a business continuity plan and the Disaster Recovery Plan in consultation with ITC which was to be made ready in July 2021.
- Information Security Policy. At the time of reporting, MEHA has indicated that works are in progress with the assistance of ITC. The draft policy was made readily available since July 2021.
- Physical Security. MEHA IT Unit has managed to secure funding to upgrade its official facilities at Senikau House in order to introduce physical controls to governance and accessibility of its operational system as well as safeguard its physical IT assets. Upgrading of MEHA IT facility was carried out in July 2021.

With other implementations, the Committee would also like to acknowledge the hard work and effort shown by MEHA to obtain assurance on the levels of control used by FEMIS to safeguard the resources of Government maintained through the system. Overall, the Committee commends the efforts of the Ministries and Departments who have progressively implemented the relevant recommendations.

Mr. Speaker, Sir, we acknowledge the support from the Ministries and Departments that despite the ongoing COVID-19 restriction, the Committee met on virtual platform to conduct its scrutiny process of the audit report. With these words, I support the motion that is before Parliament.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on this motion, but before we move on to that, we will take half an hour break and we will resume and continue with the debate.

The Parliament adjourned at 4.14 p.m.

The Parliament resumed at 4.56 p.m.

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

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I rise as a Member of the Public Accounts Committee, speaking on the motion that is before the House today. Firstly, Mr Speaker, Sir, I would like to confirm the bipartisan Committee recommendation that the relevant ministries and departments to take note of the Committee's recommendations on each topic and implement those recommendations that are yet to be fully implemented.

Mr. Speaker, Sir, we commend the Office of the Auditor-General (OAG) for undertaking this exercise in terms of performing the compliance audit for the respective ministries and departments under this Report. We hope, Mr. Speaker, Sir, there will be more similar exercises undertaken by the OAG to review the many happenings in terms of the policies that are being rolled out by Government to ensure whether they are being carried out efficiently and effectively and also the intended results for the respective policies that has been rolled out by the respective ministries and departments.

Just briefly, the audit notings on the first ministry regarding the approval of commencement of quarry development projects and what has been highlighted here is probably the lack of communication between ministries and departments who give approvals in terms of quarry development projects. We note that one set of approval is given by the iTLTB and another set of approval has been given by the Department of Mineral Resources.

What has been highlighted in the Auditor-General's Report is that some of the projects have been performed without proper approvals being given as per requirements of the Act. Hopefully the ministries have taken note of the recommendations of the OAG. The Public Accounts Committee have concurred with the recommendations of the OAG and we hope to see an improvement in the respective areas that have been highlighted by the OAG on the four ministries and departments that have been audited in terms of compliance, Mr. Speaker, Sir.

We see the importance of having policies and procedures and SOPs within ministries and departments. Not only do they need to have, they need to comply and ensure that it is being followed to the letter and the need for the OAG to come and inspect on areas where they can improve going forward. I think this Report is commended and we hope that improvements on the areas that have been identified by the Committee along with the OAG in the future reports to come.

HON. J. USAMATE.- Mr. Speaker, Sir, thank you for giving me the opportunity to address this particular motion before Parliament and I also would like to thank the Committee for the work that it has done, in particular I will just focus on Part I which is the Commencement of Quarry Development Projects and Appointment of Certified Foreman in Charge. I think the honourable Aseri Radrodoro has referred to this and a lot of the issues that I just proposed to give an update on what the Ministry has done in relation to some of the key recommendations.

In the first part of the Report from Page 6 where it talks about the approval of commencement of Quarry Development Projects. In terms of governance issues, there are some recommendations on Page 7 which states, and I quote:

“With the legal clarification received whereby the Department is not required to issue quarry permits, for quarries to be operational, the Department should consider reviewing and updating the relevant legislations including take the lead role on developing mechanisms on how collaboration between approving agencies can be improved.”

I can inform Parliament that currently, the Mineral Resources Department is undertaking the review of the Mining Act. At present, we have a Quarries Act and the Mining Act so under this review of the Mining Act, the quarry operations hopefully will be merged so that it can all be managed under one hat. So, the process for reviewing the Mining Act is something that will take us about a year, hopefully it will address a lot of the governance issues that have been highlighted in this particular Report; the various recommendations on different pages.

The other issue that I see here, one of the PAC recommendations is that the Department of Mineral Resources processes and criteria needs to be communicated to other relevant agencies such as iTLTB, Department of Lands and Department of Environment. I can inform Parliament also that currently the Ministry of Lands and Mineral Resources has a regular meeting with iTLTB where they talk about issues that are relevant to both parties including things like gravel extraction and also quarry. So, there are those mechanisms that have been put in place -

1. to ensure that there is better governance of all the quarry operations; and
2. to ensure that there is better collaboration and cohesion between the different agencies that have some part to play in managing quarries.

The second recommendation, Mr. Speaker, Sir, is about meeting the mandatory requirements for approval of quarry operations and the recommendation has been, and I quote:

“The Department of Mineral Resources should ensure that all relevant quarry documentations are properly stored and maintained. The Department should consider developing standards for the content of quarry files and verify that these standards are applied before approvals are given.”

I can inform Parliament that these recommendations have been adopted and currently there is a Standard Operating Procedure for quarry development that has been reviewed and adopted and it also includes a checklist to ensure that all necessary documents are in place before the approval letter is sent. That is the recommendation that is on Page 8 of the Report.

On Page 9, there are recommendations with relation to the notification on the commencement of Quarry Operations and here the recommendation is that the Department should consider including a clause in its quarry approval letters stating that quarry operators are mandated to provide a notification letter to the Department two weeks prior to commencement of its operation with penalties being clearly outlined for non-compliance. This is also been adopted and currently the current practice is that final vetting is conducted by the Director of Mines Office before approval letters are sent. So there is that vetting process that is in place.

The second recommendation on that same page is, and I quote:

“The Department should consider strengthening its monitoring role as a custodian of the quarry regulations.”

As I have expressed already, this has been adopted through the reviewed Standard Operating Procedure being used in the Mineral Resources Department.

Mr. Speaker, Sir, Page 10 of the Report has two recommendations with respect to the appointment of foreman and in particular the governance of this. The first recommendation is, I quote:

“The Department should expedite the creation of the database for maintaining records on quarryman or quarry people.”

This has been adopted and there already exists a register book for quarry men or quarry person licences that are issued for new and renewal applications received.

The second recommendation is, and I quote:

“Supervisory checks should be strengthened to ensure that processes and procedures outlined in the Quarries Act and Regulations 1939 are complied with.”

This recommendation also has been adopted and now we have a cover checklist that has been developed to ensure all necessary documents are in place before the quarryman’s certificates are approved by the Director of Mines or the Inspector of Mines.

Mr. Speaker, Sir, on Page 11, there are a number of recommendations in relation to the notification of appointment of commencement and changes of Quarry Foreman. There are recommendations about supervisory checks, and I quote:

“Supervisory checks should be enforced as the Department should include new clauses in the Quarry Approving Letter saying that the quarry operators are required by law to provide a notification letter to the Department within 14 days of appointing a quarryman.”

Another recommendation is, and I quote:

“When acknowledging the appointment of the quarryman, the Department should include a clause in its acknowledgement letter that the quarryman is required by law to provide a notification letter to the Department within seven days after he or she assumes control and supervision of the quarry.”

All of those recommendations, Mr. Speaker, Sir, have been adopted.

On Page 13 in relation to mandatory requirements prior to issuing quarryman’s certificates, there are proposals, recommendations that the Department should consider maintaining separate files for quarryman whereby all information/documents regarding a particular quarryman is maintained and updated accordingly. This is now being adopted and new hardcopy files are created for new and renewal of quarryman’s applications.

The last recommendation was that the Mineral Resources Department should consider the creation of a database to electronically maintain information on quarryman. This is pending, currently we have an excel spreadsheet on records of quarryman in use which are saved in the Mines Division’s share folder database.

Overall, however, Mr. Speaker, Sir, the Ministry of Lands and Mineral Resources is making a move towards digitising everything that it is doing and also trying to make that information available online. Now, for instance, lessees can check the status of their lease if they log into an application that is in place. Over the rest of this year, there is strong emphasis in digitising everything that takes place in the Ministry of Lands and Mineral Resources and as much as possible make this available online so that people can view and check for themselves the status of anything that they do in relation to what the Ministry does. This is going to be a process that will take some time but it is all part of our process of providing better service to the people that we serve.

HON. J.V. BAINIMARAMA.- Mr. Speaker, I rise to speak on the motion by honourable Maharaj. I thank the Members of the Standing Committee on Public Accounts who spent numerous hours scrutinising the Report. We need no reminder that the Government is accountable to the people. We have shown and comprehend the commitment through our actions and through the promises we have delivered.

My Government values, above all, transparency in the Fijian Civil Service. We pursue innovative ideas to meet ever changing workplace challenges and streamline process to ensure the Fijian public have access to quality public services. This process is never ending as I said yesterday and there is always room for improvement. The Compliance Audit Report identified some important areas where we can take our commitment to serve even further. As part of the audit process, Ministries were involved and were able to resolve many of the most pertinent issues raised in the Audit Report, however, this is not a one-way street we are walking, Mr. Speaker.

The Office of the Auditor-General needs to match the trust and transparency it seeks to ingratiate across Government. As Government improves, so must the standard of auditing and that is something we are right to ask from this Constitutionally Independent Office. My Government has made swift since it was elected, resolved many of the inherited failings of past leadership in the country. We have done more than listened to concerns of members of the Fijian public. We have acted on them and addressed many outstanding issues that have improved Government's services to a point that is unrivalled in our independent history.

The results of an efficient and well-tuned government, Mr. Speaker, Sir, are reflected in the benefits that our people receive and the Fijian people do not have to look very far to see that my Government has not wavered in its commitment to them. They have witnessed in their lifetime, a growth in opportunities that were not afforded to past generation of Fijians.

Mr. Speaker, Sir, this includes free education for primary and secondary aged children. Scholarship support for tertiary level, free medicine and health care assistance, improved coverage and outreach of social protection programmes, wide ranging assistance to vulnerable Fijians, funding over 47,800 micro, small and medium enterprises, increase in food and fisheries production, better connectivity for rural and maritime dwellers, improvements in employment opportunities and assistance and a better standard of living.

The Audit Report, Mr. Speaker, Sir, before this august Parliament is a kind reminder that changes for the better can always be made. It is my promise to our people that they will be made and we do so confidently in the progress we have already made to deliver real improvements in the lives of all Fijians everywhere in Fiji.

Mr. Speaker, Sir, I, again, thank the Committee for the Report and based on those remarks, I support the motion.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just very quickly in respect of the Government Payroll System, these were some of the matters that were identified in the Report itself. The Ministry of Economy's directly uploading all bank data, files on the secured Westpac Corporate Online Platform. The file is now encrypted before it is uploaded on the portal. Only authorised officers have access to view the status and whether the bank has processed the payment from their end.

Similarly, for tax authorities, Sir, the data is directly uploaded on this Taxpayer Online Service. The Ministry of Economy also sourced development partner funding is currently recruiting a consultant for the new payroll system. The payroll advisor will in the scope of work provide for a

change management process which will be a sub-set of the payroll implementation. However, the Ministry of Economy is currently managing major changes in the payroll process through circulars.

In addition, adequate trainings are being provided to the whole of Government Payroll Users. Furthermore, quarterly user group meetings are held to discuss updates to the payroll system, follow up some concerns brought up by ministries and other information that the payroll team feels is crucial for users to be aware of.

Mr. Speaker, Sir, the Ministry of Economy also as part of its ongoing plans aims to establish service level agreements that segregates the responsibility between the Ministry of Economy and ITC. Furthermore, the Ministry of Economy have worked with ITC to ensure policies and documentations are updated.

Internal controls have been put in place to strengthen the creation of employee profile in the payroll system, for example, if FNPF or Tax Identification Number (TIN) registration fields are not filled, the system will reject the creation of employee files or profiles. In addition, the employees above the age of 55 are re-engaged through the approval of the Ministry of Civil Service and furthermore disciplined forces are outside the scope. They have their own rules, as you would know, Mr. Speaker, Sir.

Mr. Speaker, Sir, following on from the Report on the core information system requirements and the implementation of several recommendations from the Report, the Fijian Government is looking to undertake a cost-benefit analysis exercise in the review of the current payroll against the procurement of a new payroll system.

The Ministry of Economy sourced the development partner funding and is currently recruiting the consultant to undertake the exercise. The cost-benefit analysis will take into account associated risks, time frames, cost impact on operations and organisation capability. The Ministry of Economy keeps a record of all payroll users, the users at the agency level have limited access for viewing and reporting purpose only to payroll as majority of the payroll processing are centralised at the Ministry of Economy and of course we provide regular trainings in that respect.

Mr. Speaker, Sir, there is a number of other issues that have been addressed and I think a lot of them have in fact been addressed by the respective ministers and I also raised generally the overall work that has been carried out.

Sir, I want to echo the sentiments of the honourable Minister for Defence in respect of the current Acting Auditor-General, Sairusi Dukuno. Since he has taken over as Acting Auditor-General, we have seen a significant change in the way that the Auditor-General's Office is now working. He is very solution-driven, he actually comes to the entry meetings, goes to the exist meetings, works with the Management because afterall, the role of the Auditor-General, Mr. Speaker, Sir, is to not only identify gaps but also to find solutions, as to how it cannot happen year in year out. We have seen a significant progress in clearing the backlogs, currently they are focused on clearing Financial Statements for 2019 -2022, 2020-2021 and they are obviously on target to clear the backlog, very collaborative, very solution driven, Sir.

Honourable Professor Prasad again he is taken leave like the rest of his Members and I do not know we should do an audit of how many hours they actually spent in Parliament and the reason they are away from Parliament, Sir,.

Mr. Speaker, Sir, the fact is, that he said "the Auditor-General must review policy decisions too". They obviously do not understand the significant difference and the separation of powers: there

is a Legislature, there is an Executive and, of course, there is the Judiciary. The Auditor-General's job as prescribed by law is to scrutinise the financials, not to scrutinise policies. He is quite explicitly stated in the Auditor-General's Act. I have noticed the way he tried to sneak that in, to say "Oh, we must also review policies because it has impact on finance". No, members of the public will go into Elections, they vote a particular political party into Government because they believe on the policies that Party will implement. If they have been elected because they say they will do X,Y,Z they will as a responsible Government, elected Government will carry out those policies and the merits of those policies will be decided by the people. How that money is spent under the policy framework is what is scrutinised, not the policy itself, Sir.

Mr. Speaker, Sir, we are very glad that the Acting Auditor-General has moved away from the shenanigans that used to take place during his predecessors' time and we look forward to work in collaboration with the Auditor-General's Office and finding solution so that we cannot come year in year out and discuss these matters which are not political in nature but they are actually accountable and transparent, choose which one you want to work on as the honourable Prime Minister said we are focussed on that. Thank you, Sir.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I would like to thank all honourable Members who have contributed positively towards the Report. Thank you.

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

Question put.

Motion agreed to.

QUESTIONS

Oral Questions

Proposed Activities of the National Trust of Fiji (Question No. 146/2022)

HON. V. PILLAY asked the Government, upon notice:

Can the honourable Minister for Education, Heritage and Arts, and Local Government inform Parliament on the proposed activities of the National Trust of Fiji with funds allocated in the 2022-2023 National Budget?

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

Mr. Speaker, Sir, the National Trust of Fiji is the custodian for eight important national properties vested in the National Trust by the Government and this is being done to safeguard cultural values, biodiversity and unique ecosystem. The key biodiversity areas and sites of national significance under the care of the National Trust are Sovi Basin protected area in Naitasiri Province, Yadua Taba Crested Iguana Sanctuary in Bua Province, Nakanacagi Bat Sanctuary in Macuata Province and the Garrick Memorial Forest Reserve in Namosi Province.

The National Trust of Fiji sites which are well known and frequently visited by the public, schools and tourists are the Sigatoka Sand Dunes, National Park, Momi Battery Historic Park, Waisali Reserve and the Levuka Community Centre Library. These four sites received approximately 3,000 school children and about 15,000 international and local visitors in 2019, which

was a normal year, generating an income of approximately \$130,000. These earnings were through park entry fees, specific group facilitation activities, event hire, corporate team building and permit fees for filming. The COVID-19 pandemic led to the closure of all National Trust sites to the public for filming, leisure, recreation, research and tourism activities for two years.

Mr. Speaker, Sir, these sites have a potential to generate income but more work needs to be done. We would like to turn these sites into a better facility so that more students can go there for their excursion trip and also we can encourage the general public to visit these sites. In this financial year, the National Trust of Fiji received \$550,000 to rebuild and promote heritage tourism and for better management of these sites. The key objective is to assist the National Trust of Fiji to transition from a Government dependent institution into a financially sustainable organisation as we see in the rest of the world.

Mr. Speaker, Sir, \$90,000 has been allocated to improve visitor infrastructure at the Sigatoka Sand Dunes, National Park, Momi Battery Historic Park, Waisali Reserve and the Levuka Community Centre. A marketing consultant will be engaged to develop Marketing and Merchandising Plan for implementation at all National Trust sites. This initiative will rebrand and promote these heritage sites as vibrant places for education, tourism and research with an opportunity to create further employment.

Mr. Speaker, Sir, \$35,000 has been allocated to develop and digitise the online National Trust Heritage database. The database will be available online for public access, knowledge and awareness of Fiji's heritage. An advanced technological web based software called Arches specifically designed for heritage, which is of international standards will be used to promote best practice and data sharing and protection.

An additional \$40,000 has been allocated for the feasibility assessment and implementation strategy for generating revenue from forest areas managed under the National Trust. This will include assessment and requirements for actual carbon trading estimates assessment and the feasibility structures for payment for ecosystem services.

Mr. Speaker, Sir, \$63,230 is allocated to undertake national consultation on the new strategic direction for the National Trust of Fiji. The allocation of \$321,770 is to continue management of eight National Trust properties for public access and enjoyment, and also to support the various conservation actions, for example, Biodiversity in invasive species Research at Yadua Taba Crested Iguana Sanctuary and Waisali Reserve.

Consultation surveys and research needs to be conducted for the management plan for the Bat Sanctuary, Training and Implementation of the Special Monitoring and Reporting to for the National Trust of Fiji Rangers. Finally, consultation workshops, training and implementation of three reforestation demonstration areas with the National Trust of Fiji properties.

Mr. Speaker, Sir, the National Trust budget for this financial year enables the Trust to undertake its legislative responsibilities for the protection and preservation of the national sites under its care and also to focus in a way that they can start generating more revenue and become financially stable.

MR. SPEAKER.- The next question (Question No. 147/2022), I have allowed for it to be carried over to tomorrow because the Honourable Minister is unwell this afternoon and is unable to be here. Therefore, that question be carried over to tomorrow's question time.

Progress of the Bridge Replacement Programme
(Question No. 148/2022)

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

Can the honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources update Parliament on the progress of the Bridge Replacement Programme?

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, for the opportunity to respond to this question and I thank the honourable George Vegnathan for his question.

Bridges have a special place in transportation infrastructure because they are the link between different parts or different places with other places and the structures of the bridges that we have are for the purpose to carry the traffic loads of the highway, crossing any obstacle in performing effective communication between two destinations. Sir, FRA has been caring for over 1,200 bridges on our road network and like the roads, bridges age and they also require a programme of regular maintenance.

In terms of upgrading and replacement of bridges, Mr. Speaker, Sir, since the FRA came into existence, a total of 52 bridges have been replaced and hundreds continue to receive repairs until they get replaced because we cannot replace all the bridges at once, so sometimes we just have to keep repairing them until it gets time for them to become replaced. Sir, FRA has now invested around more than \$450 million for the past nine years for the bridges and jetties' maintenance and renewals and currently FRA has already completed 14 bridges and 10 are to be completed by 2022 and three to be completed by the Year 2023 and all these amount to more than \$100 million.

Just for the benefit of the Members of Parliament, some of those bridges are central critical bridges in the Central Division included the Tamavua i Wai Bridge completed in 2020, Waidamu Bridge completed in 2021, the Viria Bridge completed this year, Waidra Bridge completed this year, Wainawi Bridge currently in progress, the Waidalice Bridge currently in progress.

Toga Modular Bridge is a bridge where the contract had been awarded but had to be terminated and retendered out. The Nasese Bridge is currently being developed as we speak. That is part of the Queen Elizabeth Drive Project that is beautifying the shores of Suva, the Suva Pony Club Crossing and the Beqa Steep Hill Project.

In the Western Division, some of the bridges have included the following:

- Balenabelo Modular Bridge, completed in 2019;
- Navaga Modular Bridge in Nadroga-Navosa, completed in 2019;
- Velovelo Bridge, completed in Ba this year;
- Korovou Bridge in Ba, completed earlier this year and also commissioned earlier this year;
- Yaqara Bridge is due to be completed this year;
- Bulu Bridge, commissioned earlier this year;
- Tavualevu Bridge will be completed this year;
- Matawalu Bridge in Nadroga-Navosa will be completed this year;
- Vuniyasi Bridge is scheduled to be completed next year;
- Matawailevu Modular Bridge on the main road in Ra is scheduled to be completed this year;
- Naseyani Modular Bridge is scheduled to be completed this year;

- Navitilevu Bridge in Nadroga-Navosa is scheduled to be completed this year; and
- Burewai Crossing on the border between Tailevu North and Ra is also scheduled to be completed this year.

Some of the bridges in the Northern Division have included the following:

- Korovula Bridge, completed in 2020;
- Korovuli Bridge, completed in 2020;
- Vesidrua Bridge, completed in 2020;
- Kasavu Bridge, completed in 2020;
- Vatudova Bridge, completed in 2020;
- Nayarabale Modular Bridge is scheduled for completion this year; and
- Vunikawakawa Modular Bridge scheduled also for completion this year.

So those are, Mr. Speaker, Sir, some of the major bridges that FRA has been working on.

Around \$67.6 million was allocated for the upgrade and replacement of bridges and crossings. This included the renewal of bridges and crossings. There are 14 bridges in the Central Eastern Division, 20 in the Western Division and 20 in the Northern Division.

Mr. Speaker, Sir, \$300,000 was allocated for the rehabilitation of the Vunimasei Access Road in Legalega, Nadi. There has also been money allocated for jetties across different parts of Fiji and also FRA has set in place a plan for 40 bridges and 30 jetties nationwide. So currently, the design work is scheduled to be done on these 40 bridges across Fiji and what FRA has done is that, it has looked at all the bridges that need to be carried out and has prioritised them - Priority 1, Priority 2, Priority 3 and Priority 4.

Bridges for Priority 1 are now in the planning stage and include the following:

- Medraukutu Bridge;
- Lami Bridge;
- Navutu Bridge;
- Vunitogoloa Bridge;
- Viseisei Bridge;
- Vitawa Bridge;
- Navola Bridge;
- Matawalu Bridge;
- Sabeto Bridge; and
- Lomaloma Bridge.

Bridges for Priority 2 include the following:

- Vuniniudrovu Bridge;
- Sarava Bridge;
- Sawani Bridge;
- Narata Bridge;
- Labasa Bridge;
- Savarekareka Bridge;
- Kulukulu Bridge;
- Vulovi Bridge;
- Naseakula Bridge; and
- Lomaloma Slip.

Bridges for Priority 3 include the following:

- Nadi River Bridge;
- Natogadravu Bridge;
- Waianitu Bridge;
- Naduru Bridge;
- Savu 6 Bridge;
- Wainisusu II Bridge;
- Renwick Nabukalou Creek;
- Koronabutu II Bridge;
- Narewa Bridge;
- Namotomoto Bridge; and
- Naboutolu II Bridge.

Bridges for Priority 4 include the following:

- Oinafa Bridge;
- Wainaloka Bridge;
- Naivicula Bridge;
- Wainaviti Bridge;
- Navaca Bridge;
- Buca Crossing;
- Qacavula Crossing;
- Sese Bridge;
- Waica Bridge;
- Wai Bridge;
- Naba Bridge; and
- Karoko Bridge.

In addition to these is the planning that is being undertaken for the three major jetties that FRA is looking at this year which are the Nabouwalu, Savusavu and Natovi Jetties.

There is also another 60 rural bridges that the FRA is looking at right now, it is awaiting proposals from bridge suppliers for the design supply and construction of these bridges. So in terms of bridges Mr. Speaker, Sir, FRA has looked at the whole number of bridges that we have in Fiji, everyone wants their bridge to be fixed using its objective criteria. It has identified the ones that we have had to fix first and then prioritise the others that need to be fixed and they all fall in line according to the prioritisation that FRA has done for the whole network. Thank you Mr. Speaker, Sir.

Reduction of Motor Vehicle Accidents (Question No. 149/2022)

HON. M.R. LEAWARE asked the Government, upon notice:

Can the honourable Minister for Commerce, Trade, Tourism and Transport inform Parliament on the progress made by the Land Transport Authority in reducing motor vehicle accidents?

HON. F.S. KOYA.- Mr. Speaker, Sir, I thank the honourable Member for the question. Sir, vehicle accidents and road fatalities are actually a global phenomenon and it is based on some data from WHO approximately 1.3 million people actually die each year as a result of road traffic crashes.

Globally road traffic injuries are the leading cause for children and young adults between the ages of 5 years to 29 years and over about 3,500 people actually die daily on the roads and an estimated 50 million injuries each year.

Mr. Speaker, Sir, at the outset I wish to say that road safety is everyone's responsibility and thus the prevention of vehicle accidents and road fatalities is of utmost importance to everyone, to all of us as parents as teachers, as just adults.

In a global recognition of this particular road safety concerns, the UN General Assembly in 2010 declared 2011-2020 as a decade of action for road safety worldwide. So, in September, 2020 UNGA adopted resolution on Improving Global Road Safety and proclaiming the Decade of Action for Road Safety 2021 right through to 2030. It is quite an ambitious target, Sir, it is a target for preventing at least 50 percent of road traffic deaths and injuries by 2030. So, the World Health Organisation (WHO) and the UN Regional Commissions in cooperation with other partners in the UN Road Safety collaboration, have developed a Global Plan for the Decade of Action which was released in October 2021. The reason why I say this, Sir, is because Fiji being a member of the United Nation has actually automatically adopted this particular Global Action Plan, to pave the way forward for road safety and the reduction of road accidents and road fatalities.

The successful reduction of accidents and fatalities is not just the LTA, it is not just one particular body, it is only made possible with the contribution of all Government agencies and that ensures safe roads, which means safe drivers, post roads safety education, accident data and research, traffic law enforcement, post-accident care and these thematic areas will comprise the national efforts and strategies to reduce those road accidents and fatalities in Fiji.

Although the question is posed directly to the LTA, responsibility of road safety and reduction of accidents is only possible through the contribution of all the agencies such as the Fiji Roads Authority (FRA) to ensure safe infrastructure, Fiji Police Force to ensure safe drivers and proper traffic management, the Ministry of Education with the dissemination of road safety education and the Ministry of Health with proper post accidents care. It is only made possible through a whole of Government approach, Mr. Speaker. Sir.

Whilst having a call of Government approach is adopting whole of nation approach which are actually includes the main stakeholders and road users, the Fijian public also is quite critical in all of these. This will ultimately, lead to success in actually reducing these accidents. When a person sits behind the wheel, Mr. Speaker, that person is actually responsible for his or her action and when he is crossing the road, they are responsible for their behaviour.

Under the LTA Act, Section 8, it provides the functions for the LTA which is align with goals and objectives for road safety. In Fiji, the statistics show that road accidents have actually dropped over the years. In 2017, we had 3,276 accidents recorded; in 2021 this number decreased by 19.3 percent to 2,643. This is an average of four percent reduction per year over the five years. So, despite been slightly lower than the target of five percent annually from 2011, Fiji actually achieved a reduction of five percent in 2012.

Mr. Speaker, Sir, what we also need to realise the main cause of accidents in Fiji includes speeding, drunk driving, careless driving and also pedestrians that maybe at fault. Despite the reducing numbers are main causes of these road accidents and fatalities are actually attributed to human era and therefore, as I said earlier, it actually incumbent that road safety is everyone's responsibility.

Sir, in line with Government reforms to build road safety, this Government established the

Accident Compensation Commission of Fiji (ACCF) in 2017, to ensure compensation must be paid for any personal injury or death suffered by any person, as a result of accident in Fiji lump sum payment maybe under the no fault scheme or a lump sum awarded by the Court.

Mr. Speaker, LTA has a twofold approach on this in reducing road accidents and ultimately, minimising these fatalities and this include awareness raising and education of members of the public through various platforms.

Sir, LTA also carries out Defensive Driving Course (DDC) to introduce drivers to safe driving practices and through our enforcement, LTA is also committed in ensuring the drivers are cautioned, warned and issued with Traffic Infringement Notices, to ensure safe driving habits and compliances.

Sir, LTA also carries out joined operations with the Fiji Police Force, especially during the festive season to increase visibility and to deter offenders in ensuring that we have a safe infrastructure also.

Mr. Speaker, the FRA is working on improving 30 different black spots around the country; 40 kilometres of Route Action Plan in place, for example, the overtaking lanes, et cetera, that have been done; 30 village treatments that have been completed, 60 mass action plans, 600 kilometres of major roads have been marked and delineated and traffic management plans implemented on four major and six smaller rounds.

Mr. Speaker, Sir, I also want to take this opportunity to pass on my condolences because there were some fatalities over the weekend in Kasavu and other parts of Fiji and we send our condolences to the families of the deceased.

To conclude, Sir, I must emphasise to make our roads safe, it is everyone's responsibility; not just the Land Transport Authority.

Update on Block Rezoning Exercise
(Question No. 150/2022)

HON. S. ADIMAITOGA asked the Government, upon notice:

Can the honourable Minister for Commerce, Trade, Tourism and Transport update Parliament on the Block Rezoning Exercise that the Ministry is currently undertaking and its implications on property owners within Towns and Cities?

HON. F.S. KOYA.- Mr. Speaker, Sir, I thank the honourable Member for the question. Sir, I would just like to begin by stating the definition of block rezoning in the context of town planning. The concept basically involves applying a continuous zoning along a strip of land that commonly fronts on to a thoroughfare or cycle and the pre-requisite being that, there are activities of the same nature already being undertaken within that particular area.

This particular block rezoning initiative is a strategy that was introduced by the FijiFirst Government to reform the outdated and bureaucratic steps associated with the Town Planning Scheme amendment process. The ultimate objective is to provide Fijians with a more streamlined and flexible approach when it comes to yielding a highest and best use of their property.

The amendments to the Town Planning Act now empowers the Permanent Secretary responsible for Town Planning to immediately approve block rezoning of identified areas within the town boundary and this include areas that have already gone significant changes and development

pattern and trends indicating significant growth or commercial development in particular. And the areas that have been identified have been done in consultation with the Director of Town & Country Planning and the relevant Municipal Council and after a thorough analysis on the rezoning patterns that was conducted by the Ministry.

The purpose of the block rezoning is to enable property owners within these areas to immediately lodge their building plans and commence their commercial development, so previously individual property owners would require to lodge an application for rezoning to the Municipal Council and be subjected to the detailed scheme amendment process which was very archaic, we are doing it with the Ministry before they could lodge their building application and commencement with their respective developments. These, Mr. Speaker, Sir, will no longer be required, these are benefits associated with the block rezoning initiative for property owners such as being located in a predominantly commercialized area which, in turn, increases their property values and enable them to ultimately fetch a higher selling price for their properties, if they wish to sell.

Obviously, those who intend to operate commercial businesses will be vying to purchase these properties with an added advantage of not having to convert the use of those properties to commercial, as this is done already through this particular exercise, saving considerable time and resources.

Property owners, Mr. Speaker, within these block rezoning areas now have greater flexibility with respect to their particular properties, however, property owners who wish to maintain their lots as residential can do so without any changes to their towns or city rates and that change in town rates from residential to commercial will only be applied once the commercial activity is formalized through a building approval.

Municipal Councils will also be monitoring this in accordance with the respective laws and bylaws that are already in place pertaining to rates. In terms of the change that you may be required with respect to the Ministry of Lands or iTaukei Lands Trust Board (iTTLTB), we will be doing this in consultation with the Ministry of Lands and iTTLTB.

I am pleased to inform Parliament that the Ministry through the Permanent Secretary's Office has actually approved block rezoning areas for commercial blocks with conditions in the following 11 municipal boundaries as follows:

1. City of Suva;
2. Nasinu Town;
3. Nausori Town;
4. Sigatoka Town;
5. Nadi Town;
6. City of Lautoka;
7. Ba Town;
8. Tavua Town;
9. Rakiraki Town;
10. Labasa Town; and
11. Savusavu Town.

In the interest of time, I will not go and read out all the specific areas which have been block rezoned, however, in particular, in relation to the legal description of these lots and areas, these block rezoning applied to can be viewed by the public at the Ministry of Commerce, Trade, Tourism and Transport at Level 3, Civic Tower. The general public can also view the same on the Ministry website at www.mcttt and learn more.

The 2,744 lots are part of the block rezoning around the country. Nadi Town has recorded the most number of block rezoned properties standing at about 891, followed by Suva which is 664 lots block rezoned. That is a substantial increase in the value of people's properties just by getting that done.

Also to promote commercial activities in the town of Rakiraki and Tavua, we have rezoned 426 lots and 125 lots respectively, just for commercial purposes. Whilst in the Northern towns of Savusavu and Labasa, 105 and 48 lots have been blocked rezoned respectively.

Through this reform, Mr. Speaker, Sir, we have also ensure that from a planning perspective the strategic planning documents such as outdated Town Planning Schemes are all updated and by doing this, we are not only increasing efficiency but working actually smart. The Ministry through the Office of the Permanent Secretary responsible for Town Planning will continue to assess these areas with respect to block rezoning, to change the use in an effort not only save time and save money.

Through the programme, the Ministry is committed to creating more opportunities also for investment and actually construction in Fiji now and also for the future.

Roll Out of the \$60 Million Inflation Mitigation Assistance
(Question No. 151/2022)

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

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the roll out of the \$60 million inflation mitigation assistance?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to thank the honourable Member for the question. Sir, in the Budget that has recently been approved by Parliament, we had allocated \$60 million to shield the most vulnerable Fijians from the rapid price increases including certain commodities, for example fuel. Of course, this has been precipitated by the fact that we had a one in a hundred year event COVID-19 affected supply chains, et cetera but that has been exacerbated by the Russia-Ukraine War.

Again, there has been a shortage of, for example access to fuel, wheat, et cetera. To help cushion the impact of inflation, inflation in certain countries like USA is about 8 percent to 9 percent, UK has similar rates of inflation, Fiji is now seeing the inflation rate of about 5 percent, whereas other trading partners have got higher inflation rates. I think the only one that has got the lowest inflation rate until a few months ago was Japan.

Sir, as a result of helping cushion the impact of inflation, Government will be paying a lump sum payment of \$180 to families for six months, this includes tertiary students, social welfare recipients, those who receive After Care Fund, government pensioners and of course, general children that are also below the age of school and school going age and all students in schools.

Sir, just in respect of the pensioners, After Care and Social Welfare recipients will receive a direct additional top up of \$180 to their account on 31st August, 2022 which is tomorrow. This payment date is being aligned to the next pension payment and no application is required from this group of beneficiaries.

Similarly, all welfare recipients will receive a direct additional top-up of \$180 to their accounts on 5th September, aligned to the next welfare payment date. To make it easy for them,

social welfare recipients are not required to submit any kind of application as with those with aftercare and Government pensioners because we already have the details. Approximately, \$18 million will be paid out to more than 90,000 social welfare recipients and around 8,000 Government pensioners and aftercare recipients.

All registered tertiary students who are already under TELS and Toppers Scholarship will be paid a lump sum of \$180, again, on 5th September. Sir, TELS loans service will facilitate the payment on behalf of the Ministry of Economy. As such, more than 13,000 TELS and Toppers recipients will be assisted with approximately \$2.4 million and they get paid that next week. Again, they do not need to apply because we already have the details. Tertiary institutions covered by TELS include the University of the South Pacific, FNU, University of Fiji, Corpus Christi Teachers College, Fulton College, Sangam Institute, Pacific Flying School and Advance Aviation Training.

Those students who are in tertiary studies and who are currently not on the TELS programme or are not Toppers - private students, can also apply online through the Online Inflation Mitigation Application System. These students will be required to provide their personal details, mobile numbers and evidence of active enrolment registration in one of the universities to be eligible. The payment to them will be made through M-PAiSA or My Cash, depending on the mobile phone number.

We have already received a total of 5,839 applications from such tertiary students who are not on TELS or Toppers on the online platform as of 29th August, 2022. All the applications received as of now are currently at the verification stage. We have to verify that, look at their TIN number and, indeed, verify whether they fall within this category over household of less than \$50,000, and of course, any other details that may be applicable.

Mr. Speaker, Sir, as announced in the Budget also, the Government will provide support on per child basis for families who earn less than \$50,000 in combined annual household income. This is applicable to them. In total, parents will receive \$180 per child over six month period. Families with children in Year 13 or below who currently receive subsidised transportation assistance, a total of 91,000 students, can fill out a simple manual form that calls for My Cash and M-PAiSA account details to receive assistance. As these students already qualify for transportation assistance, there is no need for additional income verification by the parents or indeed by the school.

Mr. Speaker, Sir, parents can also apply online through the Inflation Mitigation Application System, which is now open for applications which will close on 30th September, 2022. Manual forms are also available at all schools since 15th August, 2022 and can be filled out and submitted to the child's school. In the interest of time, a deployment of funds, families are strongly encouraged to apply online for assistance. Payments for these will begin on 1st September, 2022, subsequent payments for late applications will be made out fortnightly basis starting on 15th September, 2022 after 1st September followed by 30th September, 14th October and 31st October.

Mr. Speaker, Sir, those families earning below \$50,000 but whose children currently do not receive transportation assistance can also apply for Inflation Mitigation Assistance through the Ministry of Education through the same manual application form at schools or indeed apply online. The manual application form will gather details of parents and obtain phone numbers of payment. Students will need to get the form filled in by the parents and teachers and heads of schools will be responsible to upload the details of the form on the FEMIS. It is important that parents and teachers and the heads of schools declare that they are providing the correct information to avoid any abuse.

Mr. Speaker, Sir, parents of children who are below Year 1 or not attending school can either apply through the Online Inflation Mitigation Application System or through manual forms available

at Legal Aid Offices throughout Fiji, and the nearest schools and the schools have also agreed, so if the child is three years old, there is no Legal Aid Office, they can go to the nearest school and the schools will actually accept those forms. The category of these applicants completed manual forms are to be submitted to the nearest school or Legal Aid Office.

Mr. Speaker, Sir, at this stage, only parents are permitted to submit the applications as of now to avoid any abuse of the initiative. For those in the maritime islands with no access to M-PAiSA or My Cash, they also have the option to receive their \$180 assistance through their nearest Post Office agency in applying on the manual application form. We are in the process of signing an agreement with the Fiji Post Office where they will facilitate the payment for that and they are charging us a lesser rate. All applications will close on 30th September, 2022 and final payments will be paid out on 31st October, 2022.

Mr. Speaker, Sir, as of today, a total of 20,571 applications have been received for the online inflation mitigation application system and these applications are currently at the verification stage. A total of 100,476 applications have been received by schools as of 26th August, 2022 through the hard copy manual application forms. The Ministry of Economy has already assessed these applications and payment for this batch will be made this Thursday, 1st of September in two days' time. Sir, we will be paying out this week and next week \$38 million for 210,000 Fijian students, tertiary students, social welfare recipients, pensioners and aftercare fund recipients.

Mr. Speaker, Sir, we have seen, in fact I was just sharing with the honourable Prime Minister yesterday, a surge of parents now going to all the BDM offices because a lot of parents in fact, you know some of them are very late in registering the birth certificate for their children so they are all going across, getting the birth certificates registered and of course that is free. We offer that for free in terms of extraction of birth certificates and they are registering obviously to make the applications, Sir.

Mr. Speaker, Sir, just on that note, I also would like to highlight, as we have said repeatedly in Parliament that all of these instances of inflation and the import inflation, Sir, is in fact out of our control. Government can only control things as they land in Fiji where we have price control measures. As announced by the FCCC today, Sir, the price of fuel (on the 1st of September which is this Thursday) for motor spirit, it is dropping by 55 cents a litre. In other words, it is \$3.67 at the moment, by the 1st of September, it will go down to \$3.12. Premix is currently at \$3.47 but it will go down to \$2.93 cents from Thursday. Kerosene is currently \$2.89 and it will go down to \$2.45. Diesel which is currently \$3.61 a litre, will go down to \$3.09 - all of them are dropping significantly. Motor Spirit by 55 cents a litre, premix by 54 cents a litre, kerosene by 44 cents a litre and diesel by 52 cents a litre.

Mr. Speaker, Sir, LPG (Liquefied Petroleum Gas), the 4.5 kilograms cylinder currently costs \$16.63, but it will drop down to \$16.13 or a drop of 50 cents. The 12 kilograms cylinder currently at \$44.35, will drop down to \$43.01 – a drop of \$1.34. Bulk gas, Sir, is \$3.42 and it will go down to \$3.32, a drop of 10 cents. Autogas which is \$2.28 currently will go down to \$2.21 which is seven cents. So, as we can see, Sir, this is all subject to international market conditions.

Sir, we saw that a barrel of oil costs about US\$120.00 just a few weeks ago. Today, it is sitting at US\$89 a barrel. So November, December traditionally is when the price of fuel goes up because there is winter in the Northern Hemisphere in Europe, USA, Canada et cetera. There is more demand for energy so the price traditionally goes up. If you read the market news, Iran is about to sign a deal which hopefully will get across the line with USA and Europe. Should that agreement get across the line, it means that the Iranians have a lot of oil that they have got stocked or piled up. If that agreement gets on line, they will be able to push that supply into the market. If they do that

then suddenly the market is fluxed with oil and we will expect the prices to drop significantly. Of course there is always machinations behind the scenes.

Some oil companies currently are making a handsome profit, some countries are making a handsome profit - they do not want that to happen because they are making the amount of money they are making in 24 hours, the amount of money we actually have in our GDP annually.

Mr. Speaker, Sir, as we have said, it is all subject to market prices. Unfortunately, when I said this yesterday and today, when honourable Prasad was saying that people should be allowed to think for themselves and I said that we know that they were going around and saying that they will bring down the price of fuel, they will bring down the price of cooking oil, they will bring down the price of flour - these politicians are actually going and doing that. They are hoodwinking members of the public. They cannot do that. This is complete vindication of what we have been saying because as I said, and I would like to reiterate that point, if it was within our control and because the elections are there, we would drop the price of everything so people can vote for us but we cannot do that.

However, Mr. Speaker, Sir, what we can do is provide for inflation mitigation which is precisely what we are doing and we will see all these Fijians who are more vulnerable and the children who get vulnerable, we will be paying out \$60 million in the next couple of weeks, Sir. Thank you.

Written Question

Designated *iTaukei* Land - Land Use Unit (Question No. 152/2022)

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

Can the Minister update Parliament on the designation of *iTaukei* land to the Land Use Unit since 2018, in particular –

- (a) The total area of land designated under the Land Use Act 2010 to the Land Use Unit from the *iTaukei* landowners; and
- (b) What percentage of such land has been leased and what returns have been paid out to *iTaukei* land owning units?

HON. J. USAMATE.- Mr. Speaker, Sir, I will table my response at a later sitting date as permitted under Standing Order 45(3).

MR. SPEAKER.- Honourable Members, question time is now over.

Honourable Members, I thank you for your cooperation and forbearance today. We have had a long day but we have come to the end of today's sitting and we will now adjourn till tomorrow morning at 9.30 a.m.

The Parliament adjourned at 6.03 p.m.