

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**FRIDAY, 30TH JUNE, 2023**

**[CORRECTED COPY]**

# CONTENTS

	<u>Pages</u>
Minutes ... ..	1012
Communications from the Speaker ... ..	1012-1013
Bills – First Reading ... ..	1013
2023-2024 Appropriation Bill 2023 ... ..	1013-1038
2023-2024 Budget Consequential Bills 2023 ... ..	1038-1039
Amended 2023 Parliamentary Sitting Calendar ... ..	1040-1042
Presentation of Reports of Committees ... ..	1043-1044
Adjournment ... ..	1044

## **FRIDAY, 30TH JUNE, 2023**

The Parliament met at 9.56 a.m. pursuant to notice.

MR. SPEAKER took the Chair and read the Prayer.

### **PRESENT**

Hon. Sitiveni Ligamamada Rabuka, Prime Minister and Minister for Foreign Affairs, Climate Change, Environment, Civil Service, Information, Public Enterprises and Veteran Affairs

Hon. Siromi Dokonivalu Turaga, Attorney-General and Minister for Justice

Hon. Prof. Biman Chand Prasad, Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics

Hon. Viliame Rogoibulu Gavoka, Deputy Prime Minister and Minister for Tourism and Civil Aviation

Hon. Manoa Seru Nakausabaria Kamikamica, Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications

Hon. Lynda Diseru Tabuya, Minister for Women, Children and Poverty Alleviation

Hon. Pio Tikoduadua, Minister for Home Affairs and Immigration

Hon. Aseri Masivou Radrodoro, Minister for Education

Hon. Dr. Ratu Atonio Rabici Lalabalavu, Minister for Health and Medical Services

Hon. Ifereimi Vasu, Minister for iTaukei Affairs and Culture, Heritage and Arts

Hon. Filimoni Wainiqolo Rasokisoki Vosarogo, Minister for Lands and Mineral Resources

Hon. Ro Filipe Qaranio Tuisawau, Minister for Public Works and Meteorological Services and Transport

Hon. Sakiasi Raisevu Ditoka, Minister for Rural and Maritime Development and Disaster Management

Hon. Agni Deo Singh, Minister for Employment, Productivity and Industrial Relations

Hon. Vatimi Tidara Tuinasakea Kaunitawake Rayalu, Minister for Agriculture and Waterways

Hon. Maciu Katamotu Nalumisa, Minister for Housing and Local Government

Hon. Charan Jeeth Singh, Minister for Multi-Ethnic Affairs and Sugar Industry

Hon. Jese Saukuru, Minister for Youth and Sports

Hon. Kalaveti Vodo Ravu, Minister for Fisheries and Forestry

Hon. Sakiusa Tubuna, Assistant Minister in the Office of the Prime Minister

Hon. Esrom Yosef Immanuel, Assistant Minister for Finance

Hon. Sashi Kiran, Assistant Minister for Women, Children and Poverty Alleviation

Hon. Ratu Rakuita Solesole Sauramaeva Vakalalabure, Assistant Minister for Home Affairs

Hon. Iliesa Sovui Vanawalu, Assistant Minister for Education

Hon. Isikeli Tuiwailevu, Assistant Minister for iTaukei Affairs

Hon. Jovesa Rokuta Vocea, Assistant Minister for Rural, Maritime Development and Disaster Management

Hon. Tomasi Niuvalu Tunabuna, Assistant Minister for Agriculture and Waterways

Hon. Inia Batikoto Seruiratu

Hon. Faiyaz Siddiq Koya

Hon. Viliame Naupoto

Hon. Premila Devi Kumar

Hon. Mosese Dreacala Bulitavu

Hon. Hem Chand

Hon. Ioane Naivalurua

Hon. Vijay Nath

Hon. Viam Pillay

Hon. Shalen Kumar  
Hon. Semi Tuleca Koroilavesau  
Hon. Aliko Bia  
Hon. Ketan Kirit Lal  
Hon. Ratu Josaia Bulavakarua Niudamu  
Hon. Alvick Avhikrit Maharaj  
Hon. Naisa Tatau Tuinaceva  
Hon. Jone Usamate  
Hon. Joseph Nitya Nand  
Hon. Rinesh Rajesh Sharma  
Hon. A. Tuicolo  
Hon. Virendra Lal  
Hon. Penioni Koliniwai Ravunawa

### **Absent**

Hon. Lenora Salusalu Qereqeretabua, Assistant Minister for Foreign Affairs  
Hon. Alitia Vakatai Bavou Cirikiyasawa Bainivalu, Assistant Minister for Tourism and Civil Aviation  
Hon. Parveen Kumar Bala  
Hon. Sanjay Salend Kirpal

### **MINUTES**

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

That the Minutes of the sitting of Parliament held on Thursday, 6<sup>th</sup> April, 2023 as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

### **COMMUNICATIONS FROM THE SPEAKER**

Honourable Members, I welcome you all to today's sitting for the delivery of the National Budget Address by the Deputy Prime Minister and Minister of Finance and Strategic Planning, National Development and Statistics, the honourable Professor Biman Prasad.

I also have the pleasure in welcoming all invited guests seated in the gallery. Thank you for joining us today and I also welcome those who will be watching the live proceedings on television and on the internet. Thank you for your continued interest in the workings of your Parliament.

Honourable Members, as you are well aware, the National Budget Address and the subsequent Budget debates are very important events in the Parliamentary calendar. The National Budget Address enables the Government to present its key objectives, strategies and forecast for the next financial year and in the same vein today's event is essential and vital for Parliament to fulfill its constitutional obligations.

At this juncture, I wish to advise honourable Members that the Business Committee had

unanimously approved to exempt the honourable Deputy Prime Minister and Minister for Finance from the ordinary speaking time limitations, especially on the delivery of the Budget Address this morning.

### **BILLS – FIRST READING**

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, pursuant to Standing Orders 99 and 84(1), I move:

That the 2023–2024 Appropriation Bill 2023 (Bill No. 03/2023), be now read a first time.

HON. L.D. TABUYA.- Mr. Speaker, Sir, I second the motion.

[Copies of the Bill handed to the Secretary-General]

### **2023-2024 APPROPRIATION BILL 2023**

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, the honourable Prime Minister, Cabinet Ministers, the honourable Leader of the Opposition and fellow Members of Parliament, a very good morning to you all.

Mr. Speaker, Sir, I also welcome all Fiji citizens who have joined us this morning via television, radio, live streaming on the Parliament website or through our various *Facebook* pages. I will try to keep this address as short as possible. However, I realise that people want to know the critical measures in this Budget which will affect them, but I aim to get through this Address in less than two hours. We have a Budget Supplement and Budget Estimate for the finer details that will be online as well.

Mr. Speaker, Sir, I want to try first to set the scene of the Government's current financial situation and the State of the Economy as well as the Government's priorities in the coming financial year. Then I will outline Government's revenue measures and policies and the allocations made to our various government ministries.

Mr. Speaker, Sir, the people of Fiji gave their verdict on 14<sup>th</sup> December, 2022. Our people voted for change, people voted for freedom after an era of unnecessary and sometimes brutal control and suppression of their opinions. They wanted their voices to be heard, they wanted to be involved in the running of their country and to have a say in what their government should do for them. They wanted their government to be more accountable and their leaders to treat them with respect.

After all, Mr. Speaker, Sir, everyone in this Parliament is paid for by the taxpayers. We are here to serve the people of Fiji. We are not here to rule over them. Our people want a democracy that exists not on paper but in practice. They want respect for human rights, media freedom, rule of law and good governance. They want water in their taps and better health facilities. They want better roads, uninterrupted electricity, and improved transportation. They want their children to get better education, affordable housing, and improvement in living standards. They want better paid jobs. The Coalition Government also wants this for them.

Mr. Speaker, Sir, there are just a few of the many reasons why people voted for change. And this has led to the People's Coalition Government - a government of the people, by the people and for the people led by the honourable Prime Minister, Sitiveni Rabuka, the people's Prime Minister.

Mr. Speaker, as part of that change, let me start with how the National Budget process will

change. I promised a few days ago that we would deliver the Budget on time. This is not a small point. We know that in past years there have been delays, sometimes for hours in the delivery of the Budget, whether from disorganisation or indecision, I do not know. But this was disrespectful, not just of the Members of this Parliament but to all the people of Fiji.

It was this same disrespect reflected in a government which made decisions at whim and without consultation, which rammed almost all its legislation through this Parliament under urgency provisions and without proper consultation and which insulted and threatened those with differing views. This is the first thing that has changed.

Last month, the honourable Prime Minister's remark to the people of a village in Vanua Levu was quoted in the media where he thanked the previous government for the work it had done in national development. He pointed out that national development was now the responsibility of his Government. He said, and I quote:

“... after us there will be another team. We all play a role, and we should hear each other out and help out in whatever way we can.”

Mr. Speaker, Sir, this is respectful and gracious leadership. This is leadership that respects what our predecessors have done, and which understands that governments other than ours will hold power one day. I hope that we on our side, now that we are in power, can remember that, as the honourable Prime Minister said, we all have a role to play.

Mr. Speaker, Sir, everyone expects me today to talk about economics. Let me remind everyone of the old maxim, well understood by good scientists, good environmentalists, and good economists that everything is connected to everything else. We cannot progress until we have rebuilt trust and unity. We must rebuild an environment in which people are encouraged to speak out, to complain, to suggest alternative approaches and to draw our attention to the things that matter to them. We must rebuild confidence in our business and productive sectors that we will respond to their needs, not just lecture them about what we think they are doing wrong.

Mr. Speaker, Sir, we want to do this with humility, with an openness to criticism and a willingness to listen. We know that in the term of this Government things will go wrong. We will make mistakes. We will not hide from them. We will not pretend that we are perfect. We trust the people to understand that not everything will go well. But this is part of rebuilding trust, confidence, public participation in government and good leadership must be at the core of every government.

Mr. Speaker, Sir, we want change to be reflected in the Budget process. After I complete this Address, Parliament adjourns until Monday, 10th July, 2023, for the Budget debate. I want to advise the honourable Leader of the Opposition and his team that in the coming week, the Ministry of Finance Officials will make themselves available to meet the Opposition Parliamentarians if they wish, to clarify any aspects of the Budget and to give them any information they require. Mr. Speaker, Sir, this is because we want the Opposition to be informed and to contribute constructively to the Budget debate. We respect the Opposition as representatives of the people, just as we are.

Mr. Speaker, Sir, let us face a few uncomfortable facts. We are a six-month-old Government with a mandate to deliver change. What we have walked into is a deeply grim state of affairs. We have a national economy that is on the mend again after COVID-19. The Macroeconomic Committee is predicting an 8 percent growth for the 2023 calendar year, mainly on the back of better-than-expected tourism receipts. Before we engage in too much congratulation on this, we should remember that this is merely a return to the state of our pre-COVID-19 economy.

This is catch-up growth to get us back to where we started in 2019. The real challenges for economic growth start now. Let us face another uncomfortable fact. In the last 10 years, despite all the boasting and big talk about booms and “never before this” and “unprecedented before that”, our average economic growth has been little more than 3 percent per annum. That is, Mr. Speaker, Sir, not enough to significantly improve lives and incomes in our country. We must do better than this.

Let me remind everyone, Mr. Speaker, Sir, that the COVID-19 pandemic was not the underlying cause of all our problems, COVID-19 certainly made them worse. But this has been a decade of missed opportunities. Poor revenue and spending decisions for years, including during the COVID-19 crisis have undermined Government finances and now left the Government deeply in debt.

National infrastructure has been ignored with highly visible consequences. Our Government has been left, Mr. Speaker, Sir, scrambling to fix infrastructure problems for which no money has been budgeted, because for years there has been no money for maintenance.

In the last decade, we had spent over \$600 million on the TELS Scheme, but that was supposed to be a revolving fund of repaid money to support the next generation of students so that we can continue to provide them the support. It was not being repaid because they could not find jobs or paid low wages and salaries. There was a mismatch in workforce needs and what our students were getting qualifications for.

It remains a mystery to us how \$120 million was spent on the *Walesi* national digital platform and we now have to find out where this ridiculous amount of money went. My colleague, the honorable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications, has this firmly in his sights.

Mr. Speaker, Sir, we inherited a public debt of close to \$10 billion, almost the size of our entire economy. In the upcoming financial year, we must find a staggering \$1 billion to service this debt. That is about \$536 million interest to service this debt. We need \$536 million for interest payment and another \$516 million for principal repayments alone. In other words, \$1 out of every four in this Budget, Mr. Speaker, Sir, must now be spent on servicing Government debt.

During my one-on-one consultations on the Budget with Coalition Cabinet Ministers, who I also want to commend for their considerate understanding, this was the same starting point of the discussions about their plans for the new Budget year. Our ability to spend on capital works, maintenance, upgrades and incentivise our precious human capital that we are losing daily, is crowded out by *dinau* or debt.

Mr. Speaker Sir, we inherited a national health system on the verge of collapse. In the last few days, we have learned that the new Navua Hospital, built 10 years ago, on which completion was never properly certified cannot keep the power and water going. It will need an overhaul which will cost more than \$10 million. But this is just one example of the crisis we face in almost all our health facilities.

The Colonial War Memorial (CWM) Hospital still has no laundry, years after a fire there. Levuka Hospital's mortuary has finally failed. Most of our hospitals are in shocking physical condition. The toilets are not working. There are long queues of people waiting for hours in need for urgent health care. Medical equipment is not working. Essential drugs and medicines are not available on time. We lack 800 nurses. Doctors and other exhausted health professionals are treated poorly and not listened to when they offer solutions. Mr. Speaker, Sir, this is the consequence of years of serious neglect of health infrastructure and services.

Mr. Speaker, Sir, we inherited a disaster in the water sector. Thousands of households still struggle with daily water disruptions. Half of the water that we collect and treat for people to use is lost because it leaks through an aged pipe network. We will need hundreds of millions of dollars to fix it.

Mr. Speaker, Sir, how did we get into this mess? For more than 10 years, a two-men Government did not raise or save enough money due to prudent financial management. But those two men still wanted to spend, they were focused on the TV cameras and the political goodies, they did not want to hear bad news and kept it hidden if it arrived. They threatened and intimidated people who wanted to bring problems to the attention of the public, and yet, neither of these two men are now in this Parliament to account for their actions.

For all that, Mr. Speaker, Sir, we now look to the honourable Leader of the Opposition and his team. We want to work with them on finding solutions to our problems. We must first, however, understand why we are in this difficult position and learn lessons for the future. Some people will accuse me of talking only about the past but, Mr. Speaker, Sir, this is not the past, this is our present. As a doctor once told me, 90 percent of our patients' diagnosis is his or her history, because it is now that we must find the money to fix these problems. It is now that we must find the money to meet our debt servicing payments. Our present and future choices are now restricted by those poor decisions of the past. Mr. Speaker, Sir, these are the problems that have accumulated over 15 years. Many of them will need time to fix and for that, we will have to ask our people for patience and goodwill.

Let me now talk about how we are going to deal with these challenges. Mr. Speaker, Sir, nations are not built by politicians and leaders making grand speeches and opening new buildings, they are built by people on the foundations of unity and mutual cooperation. Most nation builders work quietly out of the limelight. They serve their communities as good employers, as public servants who work long hours, as provincial and district councillors, in charities, religious organisations and NGOs, in *pro bono* professional work. These are the people we must empower. These are the nation builders who we, as a Government, must serve. This Government values our people, their ideas and aspirations. We believe in consultation and dialogue.

The first necessary step we took in Government was to bring the people together to hear their ideas and concerns after 16 years in which they had not been heard. We had a very successful National Economic Summit where key stakeholders including private sector, trade unions, academia, civil society organisations, women's groups, youth organisations, development partners and the general public participated in a free and open dialogue process which will help to shape national priorities for inclusive and sustainable development.

The 14-member Fiscal Review Committee was appointed and conducted their own consultations and deliberations with public servants, economic experts and other people. In a short nine-week span, they produced a comprehensive report with over 100 recommendations to reset our fiscal priorities towards sustainability, stability and resiliency. I take this opportunity to thank the Chairman, Mr. Richard Naidu, and 13 other sterling members, for their service to this nation. The outcomes of both the Economic Summit, the Fiscal Review Committee and the Education Summit and other plans from which the outcomes will contribute towards the framing of our umbrella National Development Plan.

Mr. Speaker, Sir, I would also like to thank the World Bank, International Monetary Fund, the Asian Development Bank and all our development partners that provided clear and honest views and recommendations during the Government's transition process. It was at those moments where it dawned on us just how right we were when we used to ask the hard questions about money when



we sat on the other side.

The news media plays a crucial role in this entire dialogue process. One of our first acts in Government was to repeal the repressive Media Industry Development Act that has plagued the media industry and kept the people in the dark. We want people to express themselves freely. We want to hear their concerns.

Mr. Speaker, Sir, we have moved quickly to rebuild confidence and trust between the public service and the Government. As the honourable Prime Minister said on Wednesday night that permanent appointments in the Civil Service have been reinstated and the retirement age has been moved from 55 years to 60 years, providing civil servants with the employment security they need to do their work. That work is to provide honest, independent advice to their Ministers without the fear as they used to say of being sent home.

Mr. Speaker, in our first few weeks in Government, we redeployed \$100 million to support our families and other urgent priorities including a \$200 “Back to School” payment for children from low-income households. We provide additional funding to continue the 10 percent reduction in bus fares until the end of July 2023. We did this mainly to give the assurance to our people that even with the new Government, they would continue to be supported through challenging times.

We have begun to rebuild trust with our leading university, the University of the South Pacific (USP). Once again, Mr. Speaker, Sir, let us pause to reflect on how backward and petty Fiji looked only six months ago. It was involved in a pointless fight with USP. It had held back more than \$80 million in committed funds, money that Fiji’s own students needed for their education. It had deported USP’s Vice-Chancellor all because some people did not like him. No government should abuse his power over public funds in that way. And so, even though funds are tight, we have begun the process of paying USP what we owe. We are Government, we represent the people of Fiji. We must be seen to be trustworthy and ready to keep our promises even to people with whom we disagree.

Just as important, Mr. Speaker, is the initiative that the honourable Prime Minister has begun to rebuild relationship between Fiji and other countries in the region, which were nearly destroyed by the arrogance and disrespect of our previous leaders. We must regain the trust of our neighbours. Our very existence depends on us, all working together to solve the critical problems posed by climate change and environmental degradation. Fiji used to be seen as a leader which could bring the region together. That is the position to which Fiji must return.

Mr. Speaker, Sir, we provided additional funding to the Fiji Roads Authority for urgent road works. We supported other quick infrastructure upgrades including some of our health facilities. We successfully held Girit Day commemorations and celebrated Ratu Sukuna Day, thus reaffirming the unique rights and places of people from our major ethnic groups. These were powerful events which have set us on a path of national reconciliation. They demonstrate that as a Government, we embrace our cultural, ethnic and religious diversity. We are not afraid of it. We do not ignore or suppress it, we celebrate it. We take strength from it. We know that we can build unity from it and that is where, as a Government, we must begin the task of rebuilding. As I have said, Mr. Speaker, everything is connected to everything else.

Today, Mr. Speaker, Sir, we unveil our plans with clear strategies and financial commitments for the next fiscal year. I have already talked about rebuilding, and this is our vision: “Rebuilding Our Future Together.” That, Mr. Speaker, is really the theme of this Budget. It is my honour and privilege to present the first National Budget of the People’s Coalition Government.

This Budget is an outcome of the numerous consultations and dialogue we had with a diverse group of stakeholders all across Fiji. We have talked to various industry groups, private sector businesses and entrepreneurs. We have heard from our youth, our women, our elderly and the vulnerable. We have met the trade unions, civil society groups and other grassroots organisations. We have listened to many experts locally and internationally. We have worked with our development partners, multilateral agencies and lenders. We have had long hours with the civil servants, including Ministers and Permanent Secretaries over the last two months, including long and tough negotiations. I also extend my deepest appreciation to the Permanent Secretary and Ministry of Finance staff who have worked tirelessly, and I suspect with some relief that these days they are not on call at random hours of the night, and that many of them can have some semblance of quality time with their families, because we put this budget together in a more organised way.

After almost a decade, Mr. Speaker Sir, we reconvened the Cabinet Sub-Committee on Budget chaired by the honourable Prime Minister and comprising the three honourable Deputy Prime Ministers. The Cabinet Sub-Committee on Budget oversaw the overall formulation and finalisation of the National Budget. I take this opportunity to thank the honourable Prime Minister for his leadership, the support and the comradery of my two fellow Deputy Prime Ministers. This is consultative Government, not one or two-men government; those days are over.

Even with the major challenges the Government faces, the Budget is set against the backdrop of a renewed sense of optimism and confidence. As I have said, our economy is recovering faster than we had expected and is now projected to grow by around 8 percent this year. Given the trends we are seeing, growth may be even higher. Not everything is ideal, higher interest rates threaten the global economy, and this also puts pressure on us and the interest we may have to pay on our loans from offshore. It may also put pressure on our exchange rates, making imports more expensive. The economies of Australia and New Zealand show signs of slowing, so we will review our projections later this year when we have more concrete statistics available with us.

Mr. Speaker, Sir, the tourism industry has been doing extremely well with a strong rebound in visitor arrivals which will return to pre-pandemic levels or even exceed that. Yields in the tourism industry are increasing as our tourists are spending much more than before and staying slightly longer, but we know that we cannot depend on tourism alone. We have all learned that bitter lesson in the last three years.

Mr. Speaker, Sir, investment levels are picking up with a pipeline of major projects that are getting off the ground. The banks have informed us that demand for credit is increasing, and we know of some major projects that will soon materialize. Our foreign exchange levels remain strong, standing at over \$3.4 billion as of yesterday, equivalent to almost 6.1 months of retained imports. The exchange rate is stable and well protected.

Our financial sector is sound with a strong capital position. Liquidity levels are more than adequate to support investments sitting at almost \$2.5 billion. Remittances crossed the billion-dollar mark last year and are increasing further, likely to cross the \$1.2 billion mark by the end of this year. Mr. Speaker, Sir, it is not only fitting at this juncture to extend the Coalition Government's deepest gratitude, *vinaka vakalevu* and *dhanyavaad* to all our families and friends abroad who continue to support our people here in such a moving and a heartfelt way.

On the fiscal front, this Budget stabilizes our revenue and debt levels and puts them on a sustainable path. We began the fiscal year in July 2022 with a debt to GDP ratio of 88.8 percent. We are projecting this to reduce to 79.3 percent of GDP by July 2024. But the bad news is that this ratio is still too high. We have too much Government debt for the size of our economy. As I have said, nearly 25 percent of the Budget this year will go to servicing debt and debt remains one of our

biggest challenges. We must continue to carefully manage our revenue spending.

In this Budget, Mr. Speaker, Sir, our total expenditure is \$4.3 billion. With a projected revenue of \$3.7 billion, our fiscal deficit is set at \$639 million equivalent to 4.8 percent of GDP. This is a major reduction in the deficit. In the last four fiscal years the average deficit has been 9 percent. This deficit, Mr. Speaker, Sir, is higher than, I would have expected personally, however, we are at a critical point. We must continue to cushion the blow on our people. We must catch up on all the lost years without investment in infrastructure and maintenance. If we do not do this, our future path of economic growth will be affected.

At the same time, we are pursuing further fiscal consolidation, that is, better value spending and cost savings to ensure that we urgently bring down government debt parameters to a sustainable level. But to achieve this, we will have to swallow some bitter medicine now otherwise we could end up in a worst financial situation.

Mr. Speaker, Sir, every government has to collect taxes to fund public expenditure. It is a delicate task to ensure that we collect the right amount and not over tax the economy and our people, but revenue adequacy is critical in the running of the government. It is equally important that in this process of collecting revenues, our tax system is simple, easy to administer, transparent, efficient and equitable.

Unfortunately, Mr. Speaker, Sir, we cannot deny the fact that for many years the government was bereft of vision to raise funds other than to keep on borrowing until debt hit the roof. Popularism and electioneering were their only option. They cost the government and the nation billions of dollars in lost revenue, pushing debt to unsustainable levels. This also meant the deterioration and lack of maintenance of government infrastructure and poor service delivery. The government simply did not have enough money to fix its assets and services.

It is very clear from the World Bank Public Expenditure Review, various international Monetary Fund Reports, the report of the Fiscal Review Committee and from the deliberations of the National Economic Summit and all the expert views, the Government cannot continue to run with the current low levels of revenue generated through its low tax regime. Now, we have a debt overload that we must urgently confront. Business as usual cannot continue and from the feedback that I have received, Mr. Speaker, Sir, our people understand that. They may not like it, but they understand the problem.

Mr. Speaker, Sir, we need to put an end to this problem quickly and decisively. The time to act is now and if we do not, we will be clearly on the path to fiscal disaster. We will only further weaken Government's ability to perform its core functions including to fix our deep infrastructure challenges including water, health, roads and bridges and to protect our most vulnerable.

We have tough choices. We fully understand the expectations of the people, particularly on the prices of food and basic items, but we will be making some tough decisions that were side-stepped in the past. We are here to make the right decisions for the nation. It is a choice between bearing the burden now or burdening our future generations with more debt. It is also about ensuring that our next generation get the health, education and the employment opportunities they need now. We have to invest in our future generations, our young people, to ensure that they will be more productive in the future. It is our moment to put a down payment for them.

Against this context, Mr. Speaker, Sir, let me now announce key revenue and tax measures. Effective from 1st August, 2023, Mr. Speaker, Sir, we will only have two rates of VAT. The 21 items on zero VAT will continue. We have added prescribed medicines to the list to make it 22 items

now, the items on zero VAT will include:

1. Flour;
2. Rice;
3. Sugar;
4. Canned fish;
5. Cooking oil;
6. Potatoes;
7. Onion;
8. Garlic;
9. Baby milk;
10. Powdered milk;
11. Liquid milk;
12. Dhal;
13. Tea;
14. Salt;
15. Soap;
16. Soap powder;
17. Toilet paper;
18. Sanitary pads;
19. Toothpaste;
20. Kerosene (cooking); and
21. Prescribed medicines.

The supply of all other goods and services effective from 1st August, 2023 will attract a VAT rate of 15 percent. Mr. Speaker, Sir, 15 percent VAT is not new, it was payable on all goods and services between 2011 and 2015, except on six basic food items, it was zero. Therefore, 15 percent is not a new measure. As the honourable Prime Minister said in his National Address on Wednesday night that we have to bite the bullet, but in a few years, all of us will discover that it is a magic bullet that may give a short-term pain but result in long term gain.

These measures will generate additional VAT collections estimated at \$446 million for Government, but this restructuring will make the VAT system simpler to administer, eliminate ambiguity and improve VAT compliance. While we generate additional revenue for public investment, we have chosen to ensure that the poor are protected with a continuation of the zero rating and various rating expenditure support measures.

Mr. Speaker, Sir, the strongest feedback we have received is about lowering food prices. So, to assist households on this, the Government will reduce fiscal duty from 32 percent to 15 percent on canned Mackerel (except canned tuna), corned mutton, corned beef and beef products, canned tomatoes, prawns and duck meat. Fiscal duty on sheep and lamb meats will be reduced to zero. Beef meat, the duty is being reduced from 32 percent to 15 percent. The Government will also reduce import excise on chicken portions such as wings, drumstick, legs, feet, thighs, et cetera, from 15 percent to zero percent. The reduction of duties will provide ordinary households with a range of choices.

I now turn to corporate tax, Mr. Speaker, Sir. We will increase the corporate tax rate from the current 20 percent to 25 percent. New companies eligible for reduced corporate tax for listing on the South Pacific Stock Exchange will have that tax rate increased from the current 10 percent to 15 percent. For clarity, this will be for new companies and only for a period of seven years. These corporate tax rate increases will add about \$73.5 million in revenue.

We are encouraged by the feedback that we have had from the business sector, Mr. Speaker, Sir. Most businesses understand Government's fiscal situation and they need to contribute more. In return, however, they want the Government to improve the regulatory environment and business processes - I will come back to that.

At this point, Mr. Speaker, Sir, we are keeping an open mind on shareholders' income and whether we will in future implement an imputation system or a simpler tax on dividends. This is a matter on which we will be consulting widely before the next Budget, before we make any decisions.

Departure tax, Mr. Speaker, Sir, will increase from the current \$100 to \$125 effective from 1st August, 2023 and will further increase by an additional \$15 to \$140 effective from 1st January, 2024. This will add a total of \$30 million towards our overall tax revenues. We are signaling these increases as early as we can so that the tourism industry can plan for them in their wholesaling and other commercial arrangements.

Mr. Speaker, Sir, we are going to increase the excise tax on alcohol and tobacco by 5 percent, while the excise on carbonated/sugar-sweetened beverages will be increased from 35 cents per litre to 40 cents per litre. Mr. Speaker Sir, alcohol taxes were reduced by 50 percent during COVID-19, while taxes on tobacco were kept unchanged. We are mindful that alcoholic beverages are an integral part of our tourism industry. So, we are starting with a very small increase, compared to the massive reduction we had two years ago.

In efforts to curb NCDs and promote healthy living, a domestic excise of 40 cents per kilogramme or per litre and import excise of 15 percent will be introduced on juice (including carbonated drinks, Frubu, Tampico, Pulpy, Just Juice and Marigold), ice cream, sweet biscuits, snacks and sugar confectionery.

Motor vehicle import excise duty will increase on all new and used passenger vehicles by an additional 5 percent.

Mr. Speaker, I intend to touch briefly now on a serious matter of good governance, in connection with Capital Gains Tax. In 2021, just a few weeks after the beginning of the 2021-2022 financial year, the previous Government introduced a special exemption on the 10 percent Capital Gains Tax levied on the disposal of shares by shareholders before 1st May, 2011. The Government did that without explanation and, of course, under urgency as it did everything.

However, that Government also introduced an even more special measure. Any taxpayer who owed Capital Gains Tax from a previous unexempted transaction but had not yet paid, it was not exempted from paying the debt. The exemption did not work in the other direction. If you were a compliant taxpayer and you had paid the tax, you did not get it back but if you were a taxpayer who owed the tax because you had not paid it, you were suddenly exempted from payment. In Opposition, we asked the same question that we ask now – why and for whom was that special benefit and special tax exemption?

Mr. Speaker, that special law for certain special taxpayers or should I say, one taxpayer, was one of the most disgraceful and corrupt pieces of legislation ever to be brought before this Parliament. It was a sign of just how self-serving the previous Government had become and how poor our governance had become. A government that is making special laws for its chosen special people is a government that does not deserve to be in office.

Mr. Speaker, this random change to the Capital Gains Tax regime designed to help a specific set of special taxpayers ended up costing the Government till today almost \$70 million in lost

revenue. We are now going to get this right and right this wrong and remove the exemption.

Mr. Speaker, the Social Responsibility Tax will be simplified by merging it with the PAYE structure, along with a 5-percentage point reduction on each band for those earning above \$270,000 effective from 1st January, 2024. This would mean, Mr. Speaker, Sir, that our maximum marginal tax rate will be reduced from the current 44 percent down to 39 percent.

Mr. Speaker, Sir, Government has been losing significant revenue from a range of tax and custom concessions that have been in place in Fiji for a very long time. Given the fiscal challenges facing us, we have reviewed these concessions and, in some cases, varied the rates. Customs Concession Code 236 which currently allows all manufacturers to access duty free raw materials and other machinery and equipment will have a concession rate increased from zero percent to 3 percent. Still a concession, Mr. Speaker, Sir, but Government will get 3 percent duty from all these imports. Similarly, for Concession Code 231 which is available to manufacturers for import of packaging products, that concessionary rate will also be increased from zero to 3 percent.

Mr. Speaker, Code 235 allows hotels and resorts to import building materials, furnishings and fittings, room amenities, kitchen and dining room equipment, utensils and outdoor equipment all duty free. We will increase the fiscal duty on this concession from zero to 3 percent.

Concession Code 117, which allows for a reduced duty of 10 cents per litre of fuel for hotels, manufacturers, cruise vessels and mining companies will be removed and a normal rate of 20 cents per litre on diesel will apply. Concession on smartphones will be removed and replaced with a fiscal duty of 5 percent.

Mr. Speaker, Sir, we will completely remove the tax incentives available for warehouse development. This was introduced as a temporary incentive. It will also help reduce tax administration using this incentive which we have noted in the last few years. We are also restructuring the ICT incentive to tighten the definition and eligibility criteria and align the maximum tax holiday period to 13 years in line with other incentives. Removing those few customs concessions will help us collect much needed revenue by around \$35 million.

Apart from tax raising measures, Mr. Speaker, Sir, we are announcing a number of measures to improve tax administration and supporting ease of doing business.

Expenditures, Mr. Speaker, Sir, over the years, the government has spent a lot of money building new infrastructure and assets with little focus on value for money and a lot of wastage. Worse, it has taken its focus off maintenance of our existing infrastructure. This is now suffering from years of neglect and has badly deteriorated. So, we are now in a catch-up mode on maintenance.

Public infrastructure assets, Mr. Speaker Sir, we all know are the foundation of a country's economic development and let me assure you that the highest priority of the Coalition Government for the next few national budgets is going to be maintenance of this infrastructure. We have put aside over \$200 million for maintenance of our hospitals, health centers, schools, public buildings, government quarters, roads and bridges and water infrastructure. But, Mr. Speaker, Sir, it is not just about throwing more money at every problem. We are completely changing our approach towards this. Our focus now will be on efficient and effective use of every single dollar.

We are going to cut wastage and unnecessary spending by starting ourselves and we will start this from the Ministerial level to set an example. Apart from our 20 percent reduced pay, we are significantly cutting down on Ministerial travel allowances that were put in place by the previous Government. They amounted to actually in some sense looting taxpayer funds ironically by Ministers

who should be guarding them.

Mr. Speaker, all Coalition Government Ministers and all Members on this side support these reductions, starting with the honourable Prime Minister himself who has taken the biggest cut. For the travel allowance of the honourable Prime Minister, the current 250 percent per diem loading will be reduced to only 100 percent. Ministers will have their top up reduced from 200 percent to only 50 percent. For Assistant Ministers, the top up will be reduced from the current 100 percent to 25 percent. Apart from these major reductions, we will remove all the exorbitant incidental allowances that are currently provided while they are on duty travel.

On improving water services, Mr. Speaker, Sir, the poor maintenance and upgrade of our existing water infrastructure has resulted in 47 percent of treated water getting lost along the pipeline due to leakage. This has caused major intermittent water supplies across Fiji. However, in the last few months, Mr. Speaker Sir, we have seen some major improvements. Water disruptions have been reduced and we now have a good plan not just for the next year but also for the long term. The new Water Authority of Fiji Board has hit the ground running, with a clear mandate to get things done.

Mr. Speaker, Sir, we are scaling up our investment in the water sector with an increased budget of \$250.8 million. Yes, this year we will put a quarter billion dollars into the water system. This is a major increase of almost \$60 million compared to the current budget. This includes \$118.1 million in operating expenditure and \$132.7 million for capital expenditure.

Mr. Speaker, Sir, the Rewa River Water Project is expected to be completed by the end of July with full commissioning expected by October this year. This has been a major investment and we will see major improvements in supply after the full commissioning of the project.

Mr. Speaker, we are allocating \$51.2 million for the completion of the project. The total cost of the project is approximately \$400 million. I thank our financing partners, the Asian Development Bank, the European Investment Bank and the Green Climate Fund for their grant support towards this project.

Mr. Speaker, Sir, \$53.9 million is allocated to improve water sources and implement new disaster resilient infrastructure including water treatment facilities with a focus on reducing leakages, \$6.4 million to improve wastewater operations and \$4.8 million allocated for asset management within WAF. Another \$4.6 million is allocated for the digital transformation in the water sector which will help manage water disruptions. A further \$3.8 million is allocated for emergency response in the event of water disruption. We are allocating \$7.9 million to focus on improving access to water supplies in rural areas which has been neglected for some time as well.

Mr. Speaker, Sir, given the magnitude of the challenge we have in the water sector, it is going to take time and cost over \$500 million in replacement of the 40 year old pipe system which is leaking underground. We are working with the Asian Development Bank for a major institutional revamp of WAF, including governance, investment planning, asset management, infrastructure replacement and upgrade review of water tariffs, investment in our people and improving customer services management.

Mr. Speaker, Sir, the Coalition Government has as promised restored tripartite arrangement that we had for many years with the workers and we will use this to ensure the rights of workers are respected through dialogue and consultation with government and employers. The previous Government had deprived our workers of hundreds of millions in their FNPF contribution by reducing their contribution rate from 18 percent to 10 percent. We will restore the 18 percent effective from 1<sup>st</sup> January, 2024.

Mr. Speaker, Sir, Government is the largest employer in the country, employing over 35,000 civil servants. As the largest employer, we are committed to looking after the welfare of our people. We are working together with the workers representatives to review the overall pay and benefits of our civil servants. We know that this has not been done for almost five years and our hardworking civil servants and teachers, police, medical professionals have not received a pay rise for some time. In the next six to nine months, we will holistically review the civil service remuneration and pending the review of the salary structure of the civil service, will be readjusted to commensurate with the work they do for the nation.

Mr. Speaker, Sir, the Coalition Government will review the current minimum wage rate in the next financial year. We want our workers to receive a fair and just living wage through a proper consultative process.

Social protection, Aftercare Fund and Government pensions, Mr. Speaker, Sir, it is the moral responsibility of any compassionate government to ensure that the most vulnerable in our society, the poor persons with disabilities, elderly, children or other disadvantaged persons are well supported by the State. We need well equipped responsive institutions and laws that ensure that our vulnerable are not left out.

Mr. Speaker, Sir, the Government is committed to building a responsive, inclusive and well targeted social protection system which is at the heart of the one of the Coalition Government's key development agenda. In this Budget, the funding allocation for the Ministry of Women, Children and Social Protection is increased from \$147.7 million to \$200.2 million; a major increase of \$52.5 million.

Mr. Speaker, Sir, more than 90,000 people on social welfare will directly benefit from an increased monthly allowance of 15 percent and 25 percent. For those at the age of 70 years and above and are on social pension system, they will receive a 25 percent increase. This means that the monthly allowance will increase from \$100 a month to \$125 a month effective August 2023. Those between the age of 65 to 69 years will have their monthly allowances increased from \$100 to \$115. As such, Mr. Speaker, Sir, the Social Pension Scheme is being allocated a large budget of \$78.2 million, an increase of \$23.2 million, to cater for the needs of our 54,200 senior citizens.

Mr. Speaker, Sir, the military regime in 2011 unilaterally and illegally reduced the pension rate for many FNPF pensioners and broke the contractual arrangement between the Fund and the pensioners. They went even further to pass a law to restrict those pensioners from challenging that in the court of law.

It is over a decade, Mr. Speaker, Sir, and these pensioners have not received justice. Today, we are going to correct this wrong and give some justice to the more than 1,500 pensioners who have been put on the reduced pension rates. Effective from August 2023, those 1,500 FNPF pensioners will be able to access the Government Social Pension Allowance of \$125 if they are above the age of 70 or \$115 if they are between 60 years to 69 years. The FNPF will work together with Government to identify and put these pensioners on the Social Pension Scheme on top of what they received from their current reduced FNPF pensions. This will cost us around \$2.2 million per year and we are happy to provide that.

Protecting our vulnerable children and their childhood would be a key priority for us. In this Budget, a sum of \$100,000 is allocated to cater for the establishment of a new Department of Children. In addition, a sum of \$19.9 million, an increase of \$6.2 million is allocated for child protection allowance.



Mr. Speaker, Sir, family assistance previously known as Poverty Benefit Scheme is allocated a budget of \$45.6 million. This is an increase of \$11.5 million from the current financial year and will accommodate the 15 percent increase across the board. A total of 26,000 households are expected to be assisted with this increased allocation in this financial year. A total sum of \$43 million is allocated to cater for Disability Allowance, bus fare subsidy for elderly, disabled, electricity subsidy to households below \$30,000 income and insurance for social welfare recipients. Over \$100,000 people are expected to benefit from this.

A funding of \$500,000 is allocated to the Women's Plan of Action and a further allocation of \$200,000 is provided to support smaller women organisations for their advocacy work.

Mr. Speaker, Sir, apart from the funding for the Ministry of Women, Children and Social Protection, to support our ex-servicemen, a sum of \$14.9 million is allocated for the Fiji Servicemen's Aftercare Fund to assist 10,226 ex-servicemen and their families including a 15 percent increase in their allowances. For over 2,000 government pensioners, a total budget of \$37 million is provided which will also cater for the increase in monthly allowance by 15 percent.

On *iTaukei* empowerment and development, Mr. Speaker, Sir, the Coalition Government is determined to empower the *iTaukei* and help lift their living standards. For a long time under the previous government, they did not receive the attention that they should have. We are going to change that, the Ministry of iTaukei Affairs, Culture, Heritage and Arts has been allocated a budget of \$38.6 million, a major increase of \$23.2 million from this year's allocation. To strengthen *iTaukei* administration and our provincial councils, a grant of \$10.8 million is allocated to fund the 14 Provincial Councils, including \$4.3 million to fund the salaries and wages of 182 Provincial Council Officers and their operational expenses of around \$6.1 million.

We have now reviewed the allowances of the *Turaga ni Koro*, *Mata ni Tikina* and also allocated allowance for *Turaga ni Yavusa* due to the important role they play in the village administration and leadership. The *Turaga ni Koro* monthly allowance will be increased from \$100 to \$150 per month for all 1,181 *Turaga ni Koro* for which a total sum of \$2.1 million is being allocated.

The *Mata ni Tikina* quarterly allowance will be increased by \$150 per quarter which is equivalent to an increase of \$50 per month for the 262 *Mata ni Tikina*. This increase will be on top of the current quarterly allowance for the *Mata ni Tikina*. Currently, the *Mata ni Tikina* is eligible for either \$100, \$175 or \$195 depending on the geographical area they serve, and some are also eligible for certain travel and incidental allowance. A sum of \$585,800 is being allocated.

Mr. Speaker, Sir, to recognise and support the *Turaga ni Yavusa* in decision-making and *vanua* administration, a monthly allowance of \$100 has been allocated for 648 *Turaga ni Yavusa* under the Vanua Leadership Allowance with a sum of \$0.8 million.

To support beautification and general improvement of *iTaukei* villages and settlements, we are introducing a village development programme with a funding allocation of \$2 million. The Government will provide two-thirds towards any eligible project while villages and settlements will contribute one-third. The maximum Government support will be \$10,000 per village per year and the programme will be administered by the Ministry of iTaukei Affairs who will soon finalise the criteria and guidelines.

Mr. Speaker, Sir, \$4 million is allocated for iTaukei Land Development to have landowners with the development of their land for commercial purposes. Previously, this allocation used to be funded under Head 50 but now we have moved this under the administration of the Ministry of the

iTaukei Affairs. The iTaukei Affairs Board is allocated a grant of \$2.2 million to fund the operations of the board and salary and wage payments of its 79 officers.

On improving our health services and infrastructure, Mr. Speaker, Sir, the delivery of health services in Fiji has been far from satisfactory as I said earlier and in fact it has been in a state of decay. Over the years there has been a complete lack of investment in improving the infrastructure of not only the country's largest hospitals like CWM and Lautoka, but all across our health facilities in Fiji. I have said this publicly and there is no denying that we have never had such bad health services in the independent history of our nation. We are going to give this the highest priority, not only in this Budget but also in all our future budgets. It is going to be a difficult task but we have clearly put our focus on the maintenance of our existing infrastructure, and overall improvements in service delivery.

The Ministry of Health and Medical Services is allocated a budget of \$453.8 million, a significant increase of \$58.7 million from this year. The salaries and wages budget for the Ministry have increased to \$126.4 million and will cater for:

- 250 Intern Nurses to move up to become Registered Nurses;
- 237 new Intern Nurses;
- 46 Nursing Assistants;
- 50 Nursing Aides;
- 40 Midwives;
- 94 Medical Laboratory scientists; and
- additional support staff in various hospitals and non-medical officers for the Fiji Pharmaceutical & Biomedical Services to strengthen capacity and improve procurement efficiency.

These additional positions, Mr. Speaker, Sir, especially the new positions of Nursing Assistants and Nursing Aide will address the current capacity needs within the Ministry. The Nursing Assistant and Nurse Aide positions have been created to support our nurses focus on their core role, where these Aides and Assistants will take over the non-clinical responsibilities like bed making, getting the consumables and other time-consuming tasks that used to keep the nurses occupied. We are also providing \$11.6 million for the upgrade of nurses' salaries and overtime. Mr. Speaker, Sir, we are providing over \$63 million for public health programmes, Emergency Radiology and Laboratory Services, procurement of drugs, consumables, medicines and purchase of bio-medical equipment and accessories.

Mr. Speaker, Sir, we are working together with the Ministry of Health to ensure timely and efficient procurement of drugs, consumables and biomedical equipment accessories. A sum of \$2.5 million is allocated for Kidney Dialysis Treatment Subsidy. The allocation has been increased by \$1 million from this year's level to cater for the increase in the dialysis subsidy from the current \$150 per session to \$180. A sum of \$16.4 million is allocated for the upgrade and maintenance of urban hospitals and institutional quarters, permanent walkway for the maternity hospital at CWM, purchase, installation and replacement of ICT equipment and a major interior upgrade of Labasa Hospital.

Mr. Speaker, Sir, the Ministry of Finance through the Strategic Planning Office will work closely with the Ministry of Health and Ministry of Public Works to ensure efficient and timely maintenance of our hospitals and health centres and this has been a major problem as well as assist in the strengthening of the Asset Management Unit of the Ministry of Health.

We cannot build new hospitals or health centres if we are not able to maintain what we have right now. Some of the hospitals and health centres do not need large amounts of money to upgrade. Some simply need a few window louvres, replacement of missing tiles, painting, roof repairs, fixing

of doors and mosquito netting on windows. We can easily do this. The previous government had tried to expand the coverage of healthcare services through an outsourcing model to engage the service of private general practitioner's, dental operators and medical laboratories during the pandemic and that was a good initiative at that point in time. From 1st August, 2023, only patients with a combined household income of \$30,000 or less per annum can qualify for the free services at the private practitioners.

On reshaping our Education Sector, Mr. Speaker, Sir, the education sector is given the highest allocation in this Budget to a tune of \$845 million. A lot of haphazard changes and reforms without consultation have caused major problems within the education system.

Mr. Speaker, Sir, the Coalition Government will relook at the overall education system in a consultative manner, and we have already announced, as you have heard from the honourable Minister of Education, the appointment of an Education Commission and an Education Summit. These forums will take stock of the issues and challenges in the education sector and with proper dialogue and expert guidance chart a way forward for future reforms to lift the standard of education of our children. The world is experiencing another technological revolution with ChatGPT, Artificial Intelligence (AI) and robotics – yet our children and what they currently learn, are out of step.

Mr. Speaker, Sir, the Ministry of Education is allocated a budget of \$505.4 million, an increase of \$18.4 million. The salaries and wages budget for the Ministry has been increased from \$318.1 million to \$322.6 million to cater for the funding for the more than 14,000 existing teachers and newly established 179 teaching and non-teaching positions at the Ministry of Education. For qualification upgrade and step movement, \$8.9 million is allocated for salary upgrade of teachers who have completed relevant qualifications to move to a higher band in line with the Teacher Remuneration Setting Policy.

Mr. Speaker, Sir, for the rural and maritime location allowance, a sum of \$5.7 million is allocated which is an increase of \$1.3 million from this year's allocation. Funding provided will cater for location allowances for 3,355 teachers in 921 remote schools.

The Coalition Government is committed to giving free education and transport assistance to our ECE, primary and secondary school students with a total funding allocation of more than \$100 million. In addition to this, Mr. Speaker, Sir, we have again allocated a sum of \$45 million to continue "Back to School Support" of \$200 per child for students from Early Childhood to Year 13 for the school year 2024. This will benefit over 230,000 students for families with less than \$50,000 household income when they start the school at the beginning of 2024.

Mr. Speaker, Sir, a total of \$49 million is allocated for overall maintenance and upgrade of schools including construction of *TC Yasa* affected schools and staff quarters in Vanua Levu. We thank the Australian Government for the generous contribution and for the \$30 million towards this project.

Technical Education and NTPC Levy, Mr. Speaker, Sir, the biggest blunder by the previous government was in the areas of technical education. Failed policies which led to the establishment of technical colleges cost the taxpayers more than \$20 million. All the technical colleges were left in ruin. We now have a huge responsibility, Mr. Speaker, Sir, to rebuild our technical education system as well as address the skills gap issue in the country. We are now going to invest in this and work together with existing service providers, including the newly established Pacific Polytech.

We are going to revamp the apprenticeship scheme in the next few months and also review the NTPC levy and how best to support and fund skill upgrades in the workforce. The employers

have been suffering from this and the previous government's hasty decision to remove the NTPC levy was a wrong move.

Funding for Higher Education Institutions, Government will continue providing financial support to our tertiary institutions with a total funding allocation of \$103.3 million. We have restored the grant for USP and are committed to clearing the outstanding dues, with the first \$10 million paid as soon as we came into Government. A further \$20 million is allocated towards the clearing of USPs outstanding grants, on top of the annual grant of \$33.5 million in this Budget. In this Budget, USP will receive a total funding of \$53.5 million.

The Fiji National University will be provided a funding grant of \$43.4 million, University of Fiji is provided an increased grant of \$2.8 million while the newly established Pacific Polytechnic will receive a funding grant of \$1.0 million and Sangam Institute of Technology has its grant increased from \$114,000 to \$614,000, an increase of half a million dollars to accommodate additional nursing students in light of the current shortages. Funding is also provided to Corpus Christi, Fulton College, Montfort Technical Institute, Montfort Boys' Town, and Vivekananda Technical Centre.

Mr. Speaker, Sir, on TELS forgiveness and scholarships, let me now move to TELS debt, the forgiveness and tertiary scholarship funding. Our critics including the Opposition sitting right here had said that we cannot do this. As we had promised, I would like to confirm that all outstanding TELS debt is being forgiven by the Coalition Government. Let me repeat, Mr. Speaker Sir, all TELS debt (excluding in service training) to a tune of \$650 million, owed by 53,725 students who had studied under the TELS Scheme is now written off and none of these 53,725 TELS recipients, their parents, guardians and families will have to pay a single cent back to the Government.

However, to ensure that these students serve the nation and do justice to the taxpayers as used to be the practice in the past, they will have to serve a bond. The bond service will be years of study multiplied by one point five for these graduates. Those who choose not to serve the bond will have to pay the equivalent cost amount.

Moving forward, we will provide all eligible students with scholarships under the rebranded Fijian Scholarship Scheme on merit with a total budget of \$148.2 million in this Budget. This will cater for the scholarships of 8,720 new students and funding needed for the 9,148 existing students. Eligibility marks will be based on labour market needs and enrolment capacities of the universities and their own criteria. The bonding for new students under this Scheme will be years of study multiplied by one and a half times if tuition only, and years of study multiplied by two times if tuition and allowance is paid.

In terms of allowances, Mr. Speaker, Sir, students under merit-based scholarship will be eligible for \$3,400 per semester, effective from 1st January, 2024. All students under scholarships other than merit based will receive \$2,500 per semester if they study at campus away from home, and \$1,500 for home-based campuses. The full details, eligibility and the selection criteria handbook will be available from TELS soon. In the next academic year, a new initiative by the Coalition Government will set aside three PhDs, and five Masters by Research Awards for study at New Zealand universities. The total PhDs and Masters allocation remains 10 and 20 respectively.

Fiji Roads Authority (FRA), in the last eight years, a total of around \$3.1 billion was spent by Fiji Roads Authority without any strategic plan, without much priority and without proper costing. This, Mr. Speaker, Sir, compromised the standard of infrastructure including roads and led to significant wastage of public funds. We are going to change the approach towards the planning, construction and maintenance of our roads.

We need to do more with less money. We need to improve the value for money as there has been a lot of wastage and funding of what I call “novelty type” over designed expensive roads in Fiji. The new FRA Board is fully in sync with this, and they have been working closely with the Government to rethink some of the scoping and design works, rethink about the modalities of awarding road contracts, including closer monitoring and supervision of contractors. There is also a need to open up and encourage the participation of local contractors through direct contracting for smaller contracts. For the next fiscal year, the FRA is allocated a budget of \$387.6 million which comprises \$14.7 million for operations and \$372.9 million for capital expenditures.

Mr. Speaker, Sir, major emphasis is being placed on the need to ensure adequate maintenance of Fiji’s road network and as such, an increased allocation of \$100.6 million is allocated for road maintenance, \$42 million for completed maintenance and emergency works, \$60 million is provided for the renewal and resurfacing of roads, \$35.4 million is allocated for completion of the ongoing bridge projects, \$18.3 million for the rural roads programme, \$13.2 million for the upgrade of Queen Elizabeth Drive, and \$82.2 million for the Transport Infrastructure Investment Sector Project financed through the Asian Development Bank and World Bank loans of US\$100 million and US\$50 million, respectively.

Ministry of Public Works, Meteorological Service and Transport is being allocated a sum of \$98.3 million. The Coalition Government has re-established the Public Works Department to improve the state of rural roads around the country with an initial setup cost of \$5 million. The Government maintains the commitment towards achieving 100 percent access to affordable and reliable sources of energy. A sum of \$4.1 million is allocated for the completion of 111 grid extension schemes by Energy Fiji Limited. Additionally, the Department of Energy will continue to facilitate house wiring connections for completed grid extension projects with a budget provision of \$3 million.

Agriculture, Mr. Speaker Sir, we know that it plays an important role towards food security, income generation, employment, rural development and economic diversification. We want to make agriculture a significant pillar of the diversification of our economy. The Ministry of Agriculture and Waterways, therefore, has been allocated a budget of \$95.2 million in this Budget, which is a major increase of \$37.3 million. We have a Minister for Agriculture who understands, he has the experience, and I am very confident that with this increased budget, we will see a significant improvement in the productivity within the agriculture sector.

A total sum of \$13.9 million is allocated to fund the Agricultural Marketing Authority, Committee on the Better Utilisation of Land and commercial agriculture development. Sir, \$47.5 million is provided for the Crops and Livestock Research and Extension Services to strengthen agricultural productivity. For the first time, we are providing weedicide and fertiliser subsidy for non-sugar crops, such as rice, ginger, *dalo*, and cassava with a funding of \$1 million to boost production of these crops.

The dairy industry, Sir, was another big disaster and failure of policy by the previous Government, and the dairy industry is on the verge of collapse. Mr. Speaker, Sir, \$5 million is being allocated to Fiji Co-operative Dairy Company Limited and for dairy extension programme but there will be a major review of the industry to understand how we can invest more and take the industry forward. Mr. Speaker, Sir, \$5.3 million is being allocated for farm access roads, provision of tractors, and existing agricultural offices and quarters.

The Department of Waterways is being allocated a budget of \$22.1 million to improve the drainage system around the country which is also in a very bad shape. To improve the drainage schemes which has been neglected over so many years, a total of \$16.2 million is allocated. This will cater for major river dredging, coastal erosion protection, watershed management and will cater

irrigation drainage.

Mr. Speaker Sir, the Government has allocated a sum of \$3 million to assist those Fijians whose properties has been damaged and affected by termites in the Western and Northern Divisions. This is one problem that somehow totally scathed the attention of the previous government. This problem is a serious one now. What we have done, we have allocated a sum of \$3 million to assist those Fijians families whose properties have been damaged and affected by termites in the Western and Northern Divisions. The Ministry of Finance will release more details on the roll out of this initiative soon. The honourable Assistant Minister in the Prime Minister's Office and the honourable Assistant Minister for Women, Children and Poverty Alleviation are heading a task force on looking at how best we can deal with this problem.

The Biosecurity Authority of Fiji (BAF) supports Fiji's agricultural produce exporters by providing information, inspection and certification to meet the import requirements of overseas countries. Moving forward, BAF and Ministry of Agriculture need to work together to create farmer awareness (such as farmer outreach activities) of the list of agricultural produce under current pathways and market access, support market access negotiations and retention of such markets and new export pathways are developed and adopted. The Strategic Planning Office within the Ministry of Finance will coordinate this.

The Ministry of Multi-Ethnic Affairs and Sugar Industry, the sugar industry is almost near collapse and not much attention was paid by the previous government to revive the industry. Despite all the talk that we had and spending millions of dollars on paying salaries of CEOs and other executive management by the previous government, we have not been able to revamp the industry. The new honourable Minister for Sugar is on to the industry in a determined manner. A thorough review and assessment on the industry is required and will be undertaken. The Ministry of Finance through the Planning Office will be working with the Ministry of Sugar, to begin work on a Sugar Industry Strategic Plan soon and to find out the flash points and obstacles that have been there for the industry to be revived once again.

The Ministry of Multi-Ethnic Affairs and Sugar Industry is being allocated a sum of \$51.7 million in the new financial year, of which \$49.7 million is for the Sugar Unit. With the aim to increase cane production from 1.6 million tonnes to about 1.9 million tonnes, ideally 2 million tonnes by 2024, a sum of \$11 million is being allocated for Sugar Development and Farmers Assistance Programme, New Farmers and Lease Premium Assistance, Fertiliser and Weedicide Subsidy, Farm Incentive Programmes and Cage Bins.

Mr. Speaker, Sir, we will continue with the guaranteed price of \$85 per tonne and this is the first time, already the full \$85 guaranteed price has been paid to the farmers, in fact, more than the guaranteed price and we still have one payment left per tonne with an allocation of \$4 million.

Frequent rain and flooding have been the major problems faced by the sugar industry and drainage systems in the sugarcane areas and have been neglected or had very minimum maintenance in the last several years. A sum of \$5.5 million is allocated for the drainage for sugarcane farms in the next financial year.

Mr. Speaker, Sir, the Ministry is undertaking a thorough review of the responsibilities for Multi-Ethnic Affairs in the area of culture, language, history and arts and will also be responsible for the Giriti commemorations from next year. A sum of \$500,000 is being allocated for the preparatory works for gas crematorium for Navua, two sites in the Western Division and one in the Northern Division.

Fisheries and Forestry, Sir, the Ministry of Fisheries and Forestry is allocated a budget of \$41.6 million. This will support the expansion of aquaculture, shrimp farming, seaweed development programme, multi-species hatchery, construction of ice plants and the supply of tilapia fingerlings and prawn fries to farmers in the Western Division.

For the reforestation of degraded forests with indigenous and other species, a sum of \$2.5 million is allocated. The funding allocated will be used to address challenges and to ensure the survival of trees planted by extensive monitoring, undertaking beat up, enhancing quality seed collection, propagation and planting protocols. A sum of \$2 million is also allocated for the Redd+ and Forest Emissions Reduction Programme.

Ministry of Lands and Mineral Resources, Mr. Speaker, Sir, is being allocated a budget of \$30.1 million to enable the Ministry to continue effectively and efficiently administer and regulate the land and mineral resource sector. The honourable Minister, I am sure, will provide more details on the activities of the Ministry.

Ministry of Tourism and Civil Aviation, Mr. Speaker Sir, is being allocated a sum of \$52.3 million in this Budget. Tourism Fiji is allocated an operating grant of \$7 million and to support new marketing strategies, an increased Marketing Grant from the previous allocation of \$30 million is provided in the new financial year.

Mr. Speaker, Sir, the new honourable Minister for Tourism is on top of the activities within the tourism industry and we are confident that under his leadership the tourism industry will remain a very significant part of our economy for the future. A new \$US200 million World Bank-funded Fiji Tourism Development Programme in Vanua Levu has been approved this week by the World Bank Board. This new project's financing of US\$61.5 million for the first phase is part of a larger US\$200 million package approved for the 10-Year multi-stage tourism programme for Vanua Levu.

A sum of \$5 million is being allocated in the next financial year for the Ministry of Tourism to support the implementation of the project. The first phase of the programme focuses on bolstering tourism in Vanua Levu, including Taveuni, by improving drainage, sewage, and transport infrastructure, including upgrade of Labasa and Savusavu domestic airports, as well as an upgrade of the 95 kilometre road connecting the two towns.

Ministry of Trade, Co-operatives & Small Medium Enterprises and Communications is working towards strengthening Fiji's position as the economic and international trade hub of the Pacific and will focus on strengthening and supporting the growth of Micro, Small and Medium Enterprises (MSME) and Co-operatives. As such, the Ministry is allocated a budget of \$116.5 million in the next financial year, an increase of \$25.3 million from this year's allocation.

A sum of \$9 million is allocated to continue with the development and implementation of an online business and construction business licensing system for the Ease of Doing Business, and the rollout of the 16 agency Ease of Doing business processes which will fully digitise the Starting a Business and Obtaining Construction Permits processes.

Mr. Speaker Sir, a sum of \$2.5 million is allocated for the Northern Development Programme, National Export Strategy, Integrated Human Resource Development Programme, Trade Enhancement Programme and to assist those with trade skills to enhance their business potential.

Ministry of Youth and Sports, Mr. Speaker, Sir, sports plays a key role in building social cohesion and improving Fiji's image globally. The Ministry of Youth and Sports is allocated a sum of \$19.5 million in the 2023-2024 Budget.

A sum of \$9.7 million is allocated, Mr. Speaker, Sir, for overseas sporting tours including the 2024 Island Pacific Games, Commonwealth Games, the Rugby World Cup, operations of the Fiji National Sports Commission, engagement of sports coaches, hosting international tournaments in Fiji, Sports Outreach Programmes, Sports Scholarships and sports grant for persons with disability.

Ministry of Rural and Maritime Development and Disaster Management, Mr. Speaker, Sir, rural and outer island development is one of the top priorities of the Coalition Government as well. We are committed to bridging the development gap between the rural and urban areas. The Ministry of Rural and Maritime Development and Disaster Management is allocated a sum of \$29.1 million to support Grant to Self Help projects, Community Access Roads, Footpaths and Footbridges projects, rural housing and urgent upgrade and renovation of existing divisional quarters.

Mr. Speaker, Sir, the district advisory councillors and the district chairpersons play an important role, serving as a link between the government and the people at the grassroot and provide development management link between the communities and the government. The advisory councillors allowance has been reviewed and will be increased from \$172.50 to \$200 per month for the 302 advisory councillors whereas monthly allowance for the 16 district chairpersons will be increased from \$207 to \$220 for which a sum of around \$770,000 is allocated in this Budget.

Affordable and Decent Housing for All, the Coalition Government's vision is to provide affordable and decent housing for all communities by 2032 and is aimed at supporting families that struggle to find housing due to rising land and house prices. The Ministry of Housing is allocated a sum of \$25.7 million in the Budget to support the housing sector.

Mr. Speaker, Sir, the Ministry will continue with the regularization of informal settlements that will provide long term housing lease to households residing in informal settlements. A budget of \$10 million is allocated that will facilitate the commencement of capital works at Sakoca in Nasinu, Tavela in Nadi, Field 4 and Tore in Lautoka and preparatory works for nine settlements in Lovu Seaside, Nabare, Delaisaweni in Lautoka, Valewaquyaya in Ba, Vunika in Labasa, Caubati in Nasinu, Wakanisila in Nasinu, Sasawira in Nausori and Nadonumai in Lami.

To encourage home ownership by assisting eligible recipients to purchase or construct their homes, the Government will continue to support the First Home Purchase Programme with a budget of \$5 million to target beneficiaries with a combined household income below \$50,000 per annum. A grant of \$15,000 is available for the purchase of an existing house or unit and \$30,000 is provided to build a new house or unit. For beneficiaries with a combined income between \$50,000 to \$100,000, the Government has allocated a budget of \$1.5 million to support first time home ownership with a grant of \$5,000 if they buy an existing house or unit and \$20,000 to build a new house or unit will be provided.

For the Public Private Partnership (PPP) affordable housing project, a sum of \$2 million is allocated for the preparatory works. The PPP project will steadily realise the Government's vision to provide over 3,200 affordable and high-quality housing units for Fijian families. I must say Mr. Speaker, Sir, the preparatory work of this project was started by the previous government. The Project is re-shaping the housing sector and will build a new housing market where more ordinary families can afford to own a home, own a strata title and/or rent properties at affordable rates. We are currently working with International Finance Corporation (IFC) to finalise the bidding documents for the tender which is expected to be advertised by August 2023.

We have also discussed this with the banks, and they are eager to participate in supporting the Government with this project by making finance eligible to strata title owners based on their own criteria. Mr. Speaker, Sir, we are also being informed that a few of the banks have now launched a



new product (at least one bank) that has provided me in written to provide credit for agreement-to-lease properties and associated costs of surveying, registration and conveyancing fees. This will be a major change by the banks, Mr. Speaker, Sir, where they will provide loans for people who have just agreement-to-lease so that they can develop, have it surveyed and get a proper title. This will be an added boost to the formalization of housing in informal settlements.

Ministry of Local Government is being allocated a sum of \$29.3 million in this Budget. The Coalition Government has already announced that all towns and city councils will now have elected councillors. I am pleased to announce that the Government is firmly focused on facilitating council elections next year.

A sum of \$3.9 million is being allocated for the new Savusavu Market, around \$1 million for the new Nakasi Market, \$100,000 for the preparatory works for the Dreketi Mini-Market, \$1.3 million for the completion of Levuka Market, \$3.5 million for the completion of Govind Park and \$4.6 million for the completion of Lautoka Swimming Pool.

Again, Mr. Speaker, both Govind Park and Lautoka Swimming Pool projects were very badly managed, and it was turning out to be a disaster. Government is now left with no option but to provide additional funding to complete these projects with increased cost. We will ensure that the project gets completed in the new financial year and a review will be undertaken by the Ministry of Finance to look at how the projects were implemented, value for money assessment and reasons for the failure of the projects.

Mr. Speaker, Sir, to support our Drua Team, we are allocating \$1 million for procurement of enhanced equipment and services required to deliver international quality broadcast required for Drua's participation in Super Rugby and other international matches.

The Ministry of Finance is provided a total budget of \$89.5 million including an increased grant of \$45.5 million to the Fiji Revenue and Customs Service.

The Ministry of Finance, Mr. Speaker, is modernizing its systems and processes and has embarked on a significant IT project to replace the current Financial Management Information System (FMIS) which is almost 20 years old. Under this project, the payroll system which again is a major risk for Government and the Ministry of Finance will also be replaced and integrated with the FMIS. We thank the Asian Development Bank for their invaluable technical support in this transition. A sum of \$14 million is allocated for the new system. Apart from this, \$2 million is allocated to complete the implementation of a new Budget Software System. Mr. Speaker, at this day and age, most of the things in terms of Budget preparation is done manually.

Mr. Speaker, Sir, the re-establishment of the Strategic Planning Office will ensure better coordination and formulation of a strategic and robust development agenda. The Strategic Planning Office in fact previously, Mr. Speaker, we always used to have a dedicated Ministry of National Planning. This Strategic Planning Office will help formulate a new national development plan, strengthen the policy and planning within Government, improve coordination among ministries and departments, appraisal and selection of public investment projects, monitoring and evaluation of projects, improve coordination of development projects across Government and strengthen national workforce planning and economic intelligence analysis. A sum of \$3.4 million is allocated for the operations of the office.

The Coalition Government is working towards strengthening the Fiji Bureau of Statistics with the review of the Statistics Act to give them more autonomy and to ensure that the Statistics Office is well equipped to provide timely and reliable statistics including providing ethnic data as well. A

budget of \$7.6 million is provided to the Fiji Bureau of Statistics which includes \$2.4 million to cover the most of the 2023-2024 Employment and Unemployment Survey.

Mr. Speaker, Sir, \$36 million is provided for vehicle leasing which is under a comprehensive review to determine the cost-effective way forward for Government to acquire the fleet and its management.

The Ministry of Civil Service is allocated a sum of \$50.6 million in the next financial year. An Establishment Support Unit in the Ministry of Civil Service to ensure decisions on the management of the Ministry's establishment are transparent, accountable and consistent with good principles.

In addition to this, a Shared Services Agreement Policy will be developed in consultation with the Ministry of Finance and implemented to ensure that where possible, ministries and departments are efficiently utilising existing human resources across the common cadres. This will contribute to easier transfers of the staff between ministries allowing for the sharing of knowledge and information in the Civil Service. This used to be done very effectively and efficiently in the past, Mr. Speaker, Sir.

For Office Space Rental, a sum of \$34.5 million is allocated to facilitate the monthly rentals to landlords for the properties leased by various ministries and departments and \$3 million is allocated for the renovation and maintenance of Government quarters and public buildings in this project.

Ministry of Home Affairs and Immigration is allocated a budget of \$12.4 million. The Ministry will undertake a holistic national security defense review including development of a security strategy and associated legislative reforms to strengthen national security.

The Immigration Department Services have to be improved significantly to build capabilities in addressing immigration-related crimes including human trafficking and streamlining processes to support the private sector and improve the daily experiences of our citizens.

The Immigration Office is provided with additional 23 new positions to ensure that the service delivery is improved. For the digitisation and modernisation of immigration systems and processes, a funding support of \$1.1 million is provided through the Australian Government as well.

A sum of \$1.5 million is allocated for procurement of passports while \$300,000 is allocated for the installation of ePassport kits in Immigration Offices and Overseas Missions.

Fiji continues to maintain its foreign relations with more than 182 countries. Under the leadership of the honourable Prime Minister, there has been renewed interest and engagement and sense of optimism and enthusiasm from our regional and international partners. We need to continue enhancing foreign relations, promoting Fiji's foreign policy initiatives, advancing Fiji's leadership in the global arena, improving trade performance and maintaining Fiji as a modern hub of the Pacific.

To further enhance our diplomatic and international relations, Mr. Speaker, Sir, a sum of \$4 million is allocated for the startup costs associated with the re-opening of Fiji Overseas Missions in Washington, Malaysia and Papua New Guinea and setup of a new Embassy in Israel; \$2.2 million is allocated for the refurbishment of overseas missions.

The Office of the Prime Minister is provided with a budget of \$50.8 million. This funding will also cater for the Climate Change Division, Department of Environment, Department of

Information, National Archives of Fiji and Public Enterprises.

Office of the Attorney-General, the Coalition Government, Mr. Speaker, has re-established the Fiji Law Reform Commission which has not been fully functional since 2006 and currently operates as part of the Legal Drafting Department in the Solicitor-General's Office. The Commission was initially established by legislation in 1979 under the Fiji Law Reform Commission Act. The Commission used to undertake systematic review, reforms and development of laws to make them simple, modern and relevant. Plus, Mr. Speaker, the Fiji Law Reform Commission had the expertise to consult widely and to advice Government on good laws. So, we have allocated a sum of \$400,000 in this Budget for them.

Independent Bodies, the Government, Mr. Speaker, is assisting with the review of the Audit Act to strengthen the Office of the Auditor-General and make it more independent. A sum of \$7 million is provided to the Office of the Auditor-General in this Budget. To fasttrack the audit backlog which has been an issue over the years, the Auditor-General is provided a new allocation of \$722,000 for outsourcing some of its audits so that we can bring up to speed all the outstanding audits that need to be done.

An independent and well-resourced judiciary is critical for a well-functioning democracy and a good economy. As such, a sum of \$50 million is provided towards the funding of our judiciary in this Budget.

The Fijian Parliament is being allocated a sum of \$16.3 million, an increase of \$7.7 million. This includes \$4.4 million for the purchase of equipment and upgrade of the broadcast system which will include a multi-language captioning to enable our Parliament to be more inclusive and increase citizen engagement in our three key languages.

A total sum of \$35.5 million is being allocated to the Independent Commissions. We are now strengthening and tightening the processes and reporting mechanisms for the independent bodies, commissions and statutory authorities. Over the years, there has been serious lack of timely submission of annual reports, detailed expenditure breakdowns and utilization reports by many of these institutions. This is not the standard of proper accountability that we expect of independent bodies, and we hope that with appropriate allocation of budget, this will improve.

Ministry of Justice has been allocated a sum of \$5.4 million. The availability of timely and efficient access to justice, Mr. Speaker, Sir, is critical to social and economic development.

To support access to justice, the Ministry will be undertaking digitization works in consultation with the Ministry of Finance, Ministry of Communications and other relevant key stakeholders on its legal registries and upon the completion of the digitization, most of the services will be provided online. This will improve efficiency and administration of justice.

The Office of the Registrar of Titles is being allocated 13 additional positions to improve service delivery and meet increased customer demand for the services. This, Mr. Speaker, Sir, has been a constant source of complaint from the business community as well.

The Fiji Corrections Service (FCS), Mr. Speaker, Sir, is being allocated a sum of \$47 million. Thirty new positions with an allocation of \$550,000 is being funded in the new financial year.

A sum of \$4.2 million is being allocated to cater for food rations for inmates occupied in penal institutions and for the Rehabilitation and Yellow Ribbon Programme to support the rehabilitation programmes for the inmates.

Mr. Speaker Sir, a total sum of \$4.7 million is also allocated for the:

- commencement of the construction of the new Supervisor's Office at Labasa Corrections Centre;
- Phase 2 upgrade works for Nasinu Cemetery and Phase 4 works for Suva Cemetery;
- construction of retaining wall (Gabion) at Levuka Corrections Centre;
- construction of boundary fence for Nasinu Corrections Centre and boundary fence for Suva Women's Corrections Centre; and
- upgrade and maintenance of institutional buildings and repair and maintenance of institutional quarters.

The Fiji Police Force has been allocated a sum of \$183.7 million. The Force, Mr. Speaker, is increasingly focussed on preventing cybercrimes and combating the distribution and use of illegal drugs. The Force will receive an additional 100 Police Constables, to boost its operations, for which a sum of \$2.3 million is being allocated in the Budget.

To improve police visibility, \$700,000 is being allocated to strengthen, what we call, the Police Beat Patrol in both urban and rural areas. Mr. Speaker, Sir, this is a new initiative for crime prevention.

Mr. Speaker, Sir, over the years, the previous Government had constructed new police stations which has cost close to \$100 million, while many existing police stations, quarters and posts were neglected. With the focus on maintenance and bringing our infrastructure to a better standard, \$3 million is being allocated for the renovation and upgrade of Police quarters and posts.

Mr. Speaker Sir, we also acknowledge the important role that the Republic of Fiji Military Forces (RFMF) plays in maintaining the security, defence, and supporting peace efforts around the world. In this Budget, the RFMF is being allocated a sum of \$103.1 million.

Let me, Mr. Speaker, now cover some ground before I finish, on future economic policy measures, particularly in the area of economic growth.

We came into office six months ago, into an economic environment which might best be called a policy-free zone. The budgeting and economic policy sphere was secret. No one, except some people, knew what was happening or what was planned.

Criticism of government policy was silenced. Many people with an interest in contributing to economic policy had simply given up. Every National Budget was anxiously awaited, with no one knowing what surprises would come.

Mr. Speaker, in the Coalition Government we have tried to be different. We, and our advisers, have been open about our thinking. Our honourable Prime Minister, Deputy Prime Ministers and Ministers have been open about our thinking. We have put our thoughts into the public space. We have learned from the criticism and feedback we have received, including those from the Opposition. We have shared our economic decision-making with the public.

Mr. Speaker, Sir, I have talked about this many times in Opposition. Over the last 10 years, Fiji has slumped badly on all indicators of the ease of doing business. But instead of listening to the concerns of investors, the previous Government just blamed everyone else for the bad numbers. So, what will we do differently?

Everyone talks about improving the business environment, but sooner or later, we have to get down to some key issues and processes. What are those?

Let us first look at the issues that we want to build and invest and, that is, physical capital. Foreign investors wanting to acquire or even lease relatively small areas of land are already frustrated by the slow processing of applications under the Land Sales Act. We need to look at the processes under the State Lands Act, which prevents us from leasing Government land effectively for economic purposes. This includes foreshore leases which are often critical for tourism and similar activities.

We will be carefully reviewing processes in both, the Department of Environment and the Department of Town and Country Planning, which interacts with Local Governments on town planning issues. These are the critical agencies to ensure that we process building and development applications in an orderly and planned way. The processes are bureaucratic and need simplifications. We will soon be setting up a working group to advance this process.

We have a lot of complaints from developers about access to electricity. So, we will be zeroing in on this, to identify where the problems are and develop solutions.

On the supply side of energy, Fiji is well off its targets for renewable energy development. We need to urgently ramp up our renewable energy generating capacity. We need to get the right stakeholders together – the renewables suppliers, Energy Fiji Limited (EFL), the Fiji Competition and Consumer Commission (FCCC) and others – to act urgently on this.

We also need to address the needs of businesses in their daily operations. At this point, we are focused on three issues below.

1. As we battle the loss of skills to overseas countries, we have continued to complicate life for local businesses needing to import skills, both short and long-term. This includes, the Immigration Department where -
  - we believe we can spend a little bit more money on personnel and systems to make the work permit process work more efficiently.
  - we believe there is scope to increase fees charged by the Department and the economic payback for Government can be very good.
  - we have already taken some steps to ease the pressure on the grant of short-term work permits.
  - we will also look at wider immigration law reforms which will align Fiji better in the global economy, and which will take advantage of the increasing mobility of people and economic capital.

Again, Mr. Speaker, we will be setting up another working group on this.

2. We know that many businesses, large and small, are frustrated by the time it takes them to get routine offshore payments through the exchange control and tax clearance processes between the Reserve Bank of Fiji (RBF) and Fiji Revenue and Customs Service (FRCS). These two entities must work together to ensure that there is more flexibility in the processes that are there.
3. Businesses of all sizes complain repeatedly about the time and bureaucracy involved in simple periodic regulatory process, such as the National Fire Authority, Occupational Health and Safety checks, liquor licensing and health inspections. And I am pleased to say that the Ministry of Trade under the leadership of the honourable Deputy Prime Minister

and Minister for Trade is already working on this, and an IFC-supported project is now in progress to reform these processes. I think that will produce some significant results.

Mr. Speaker, Sir, those are some of the few initiatives on which we are working on, and these are the ones to which different Ministries will give priority to in the next six months, in partnership with other stakeholders.

Mr. Speaker, Sir, I realise I have been almost two hours on my feet, monopolising your attention. I can only thank you for all your patience. In closing, I think we can all agree that this is a tough, but a fair budget – absolutely a fair and a balanced Budget! We have tried to look after everyone within the tight financial resources and fiscal constraints.

The road ahead will not be easy, but we are hopeful that we have laid down in this Budget today will be strong foundation for future recovery growth and prosperity.

I have laid out, Mr. Speaker, Sir, how we intend to raise revenue, despite our grave economic woes by instituting fiscal restraint and discipline. I have also laid down measures that will address the challenges of rising cost of living and social protection provisions for our most vulnerable.

In addition, with this Budget, we can start climbing out of our cycle of debt if we stay on course with this pathway and stay disciplined. From a debt to GDP ratio of almost 90 percent in the July 2022 fiscal year, we want to drop that to 79 percent debt to GDP ratio by July 2024, and sink that further down, Mr. Speaker, Sir, to under 60 percent by 2030. Once we get down to under 60 percent debt to GDP ratio, only then can we have more space for actual progressive spending.

Mr. Speaker, Sir, with the concurrence of Cabinet, I commend this Budget to this august Parliament.

(Acclamation)

[A Bill to appropriate a sum of Three Billion, Seven Hundred and Sixty One Million, Nine Hundred and Seventy Nine Thousand, Four Hundred and Four Dollars, for the ordinary services of Government for the year ending 31<sup>st</sup> July, 2024 (Bill No. 03 of 2023)]

MR. SPEAKER.- Honourable Members, in accordance with Standing Order 84(1), the 2023-2024 Appropriation Bill 2023 has now been read for the first time. In accordance with Standing Order 99(3), the Bill will now be listed on the Order Paper for the Second Reading on Monday, 10<sup>th</sup> July, 2023.

### **2023-2024 BUDGET CONSEQUENTIAL BILLS 2023**

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, pursuant to Standing Order 51, I move:

That the following Consequential Bills for the 2023-2024 National Budget be considered by Parliament without delay:

1. Tax Administration (Budget Amendment) Bill 2023 (Bill No. 04/2023);
2. Income Tax (Budget Amendment) Bill 2023 (Bill No. 05/2023);
3. Value Added Tax (Budget Amendment) Bill 2023 (Bill No. 06/2023);
4. Customs (Budget Amendment) Bill 2023 (Bill No. 07/2023);
5. Customs Tariff (Budget Amendment) Bill 2023 (Bill No. 08/2023);
6. Excise (Budget Amendment) Bill 2023 (Bill No. 09/2023);

7. Airport Departure Tax (Budget Amendment) Bill 2023 (Bill No. 10/2023);
8. Water Resource Tax (Budget Amendment) Bill 2023 (Bill No. 11/2023);
9. Fiji Revenue and Customs Service (Budget Amendment) Bill 2023 (Bill No. 12/2023);
10. Fiji National Provident Fund (Budget Amendment) Bill 2023 (Bill No. 13/2023);
11. Tertiary Scholarships and Loans Service (Budget Amendment) Bill 2023 (Bill No. 14/2023); and
12. Land Sales (Budget Amendment) Bill 2023 (Bill No. 15/2023).

Mr. Speaker, Sir, pursuant to Standing Order 51, I move:

That the Consequential Bills –

- (a) must pass through one stage at a single sitting of Parliament;
- (b) must not be referred to a Standing Committee or other Committees of Parliament;
- (c) must be debated and voted upon by Parliament immediately after the vote on the 2023-2024 Appropriation Bill 2023; and
- (d) that one hour be given to debate the Consequential Bills tabled today and be voted upon in the sitting of Parliament beginning on Monday, 10<sup>th</sup> July, 2023.

HON. L.D. TABUYA.- Mr. Speaker, Sir, I beg to second the motion.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. Are there any speakers on the motion?

As no Member wishes to speak on the motion, I now call on the Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics to speak in reply.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I have nothing much to add, except to say, ‘thank you’, to the Opposition for understanding that all these Bills are Consequential Bills, they give effect to the Budget and I have presented it today to ensure that the honourable Opposition Members have enough time. Essentially, you will have about two weeks to go through all these Bills, so we could have a good debate.

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

Question put.

Motion agreed to.

Honourable Members, friends and members of the public, I now intend to adjourn Parliament for some morning refreshment and tea, perhaps. It is almost 12 o’clock but then, again, we will recall Parliament at the sound of the bell. The House is now adjourned.

The Parliament adjourned at 11.53 a.m.

The Parliament resumed at 12.48 p.m.

MR. SPEAKER.- Just before I invite the honourable Leader of the Government in Parliament, there are some climate action notes that I wish to share with you, honourable Members. For this short moment, please, allow me to just elaborate on some notes that Parliament, through the Secretariat, has enabled to prepare for this climate action.

Honourable Member, I would like to advise that the Fijian Parliament is accelerating its green parliamentary initiative by phasing out the use of single-use plastic bottles in the Chambers during all parliamentary sittings. As you have seen from this morning, these are being replaced by reusable water bottles that are in front of you. This marks the Fijian Parliament's concrete step in joining Parliaments for the Planet Campaign to reduce its carbon footprint and become a greener Parliament.

Today is also the International Day of Parliamentarianism. On this International Day of Parliamentarianism, I can assure all Fijians that Parliament will continue to adopt new technologies and means of communication to make Parliament as accessible as possible to the people of Fiji. Parliament will continue to look for ways to innovate and boost public participation in this new Term of Parliament.

We will engage in actions that will increase public understanding of its functions, processes and practices, and we will continue to ensure that Parliament adopts greener policies and embrace a culture of sustainability, so as to help address the climate crisis and pave the way for stronger climate action.

Honourable Members, if in any case you lose your parliamentary water bottles, or you do not bring it during parliamentary sittings (I note that the honourable Member is laughing already), please, kindly take note that you will be issued only with water flasks. These are not for souvenirs, you can take it home with your name identified at the bottom of your water bottle.

Honourable Members, you are also welcomed to bring your own preferred water bottles or flasks as you please, and I have noticed that being in use already. As such, that is all that we would like to inform and remind you of. What we have here is not a souvenir, it is for your own personal use in the Chamber, while at the same time we try and adapt ourselves to the greener climate action plans that the Government has already committed to.

### **AMENDED 2023 PARLIAMENTARY SITTING CALENDAR**

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

That Parliament adopts the amended Sitting Calendar for the year 2023.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, before I speak on the actual motion, I beg the indulgence of Parliament, as I feel it is only appropriate as Minister for Women to acknowledge a great woman, whom we all know, and who was farewelled today. I speak of a life well lived - Ms. Taufu Mereia Vakatale.

Mr. Speaker, Ms. Vakatale was the first of many things, but there are a few things I wish to outline today. She was a member of the pioneer students of Adi Cakobau School. She was the first



- *iTaukei* woman to sit and pass two Exams in one year in 1954 - the Senior Cambridge and the New Zealand School Certificate;
- *iTaukei* to lead a secondary school;
- local Fiji woman to become Principal of Adi Cakobau School;
- woman diplomat;
- woman Deputy Prime Minister; and
- woman Acting Prime Minister.

Hailing from Yavu Village of Batiki Island with maternal links to Somosomo in Gau, she is survived by a daughter and four stepdaughters, three granddaughters and numerous grandchildren. She was a woman leader who, whilst being a public figure, remained a disciplinarian at home and work, who still knew how to have fun. She lives on, not only in the lives of her family, but also in all of her friends and those whose lives she touched during her time with us. Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, on to the Sitting Calendar, on Thursday, 16<sup>th</sup> February, 2023, when we adopted the Calendar for the current Session of Parliament, I had mentioned that we were mindful that due to an unforeseen circumstance, that we were able to readjust some of the Sittings and this would be tabled in Parliament. It was to allow some flexibility, and this has been the accepted practice in the last two terms.

Mr. Speaker, Sir, I can confirm that the Business Committee agreed and approved the amendments or readjustments to the Sitting Calendar for the year 2023, which was circulated to all honourable Members this morning. The readjustments were for the Budget Announcement to be done today and the Budget Debate to be reduced to one week, as from the previous two weeks, as was approved earlier on 16<sup>th</sup> February, 2023.

At this juncture, Mr. Speaker, Sir, I would like to put on record that the discussions were held without the Opposition at the time, as the Business Committee had met before the uplifting of the Suspension by the Acting Supervisor of Elections and Registrar of Political Parties. So, I plead with the honourable Members to support and approve the proposed amended Sitting Calendar with Friday, 30<sup>th</sup> June, 2023, as Budget announcement day and Monday, 10<sup>th</sup> July, 2023 to Friday, 14<sup>th</sup> July, 2023, as one week of Budget Debate.

Mr. Speaker, Sir, this Sitting Calendar will allow all the six Standing Committees to continue with their Committee work on the Annual Reports that are currently pending with the Committees and Bills that may be moved in this Parliament for consideration.

Mr. Speaker, Sir, given that we are just six months in office as a new Government, we are proposing to make positive changes to ensure that services to the people are improved. So, with the proposed amendments to the Sitting Calendar, the Government will be able to execute and implement its plans, policies and programmes, and the Standing Committees to undertake and discharge their functions as mandated in the Standing Orders.

It is in this respect, Mr. Speaker, Sir, and honourable Members, that the proposed Sitting Calendar before Parliament be supported as it is one that will greatly ensure that the Fijian Parliament will continue to undertake its legislative, representative and oversight functions.

Mr. Speaker, Sir, I commend this motion to Parliament, and I seek all honourable Members' support to the proposed amendments in the Sitting Calendar for 2023.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I would like to take this time to convey our condolences to Ms. Taufu Vakatale and her family for the work that she has done for our Fiji and the Fijians at large, and if the family can accept our condolence on behalf of the Opposition Chambers as well.

Mr. Speaker, Sir, coming back to the motion with regards to the 2023 Sitting Calendar and as rightfully said by the honourable Leader of the Government in Parliament, the June Sitting was deferred, unfortunately, because at that point in time, the Opposition Members were suspended so we were not aware of the rulings and decision that was taken by the Business Committee. Further on, we had a discussion in the last Business Committee Meeting whereby it was discussed that the deferment will be inserted in the future Calendar Sitting so we are looking forward to that.

At this point, Mr. Speaker, Sir, I would like to inform Parliament on the decision from the Opposition that we are totally against the reduction of Budget Debate Sitting from two weeks to one week. None of the Opposition Members agreed on that because we felt that two weeks is sufficient enough to discuss the first Budget by the new Coalition Government and since it is a Coalition Government, there is a lot of input coming from the three Parties so we needed more time to scrutinise the Budget thoroughly.

Still on that, in addition to opposing the reduction of the number of days of the Budget Debate from two weeks to one week, we expect this year's Calendar to be reduced from ten weeks to eight weeks, and next year's Calendar as agreed in the Business Committee, will increase from ten weeks to twelve weeks.

MR. SPEAKER.- Thank you, honourable Maharaj. I am taking that as a joke because we have not deliberated on that.

(Laughter)

HON. I.B. SERUIRATU.- Being Opposition Whip, Sir.

(Laughter)

MR. SPEAKER.- If there are no other comments, I now call on the Leader of the Government in Parliament to speak in reply.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I note the comments that have been made by the honourable Opposition Whip in his role as Whip, and I thank him for that. I take that they are not opposing this amended Sitting Calendar, so I thank the Opposition for their support.

Mr. Speaker, Sir, I have nothing further to add.

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

Question put.

Motion agreed.

## PRESENTATION OF REPORTS OF COMMITTEES

MR. SPEAKER.- Honourable Members, before I call on the honourable Leader of the Government in Parliament, I would like to inform honourable Members that the Opposition had submitted their proposed amendments to the Secretariat on Wednesday, 3<sup>rd</sup> May, 2023, but was only read by the staff on Wednesday, 28<sup>th</sup> June, 2023.

Honourable Members, since the Secretariat has received the proposed amendment, we have also taken full responsibility for this unintended oversight. The Opposition had directed those amendments to one of the Executives, who was on urgent leave abroad and did not have access to his emails and the staff had resumed work on the same day that the Standing Orders Committee met, that is, on Thursday, 11<sup>th</sup> May, 2023.

Honourable Members, this submission by the Secretariat was not intended and I, as Speaker, wish to reassure the Opposition that I will call another Standing Orders Committee meeting after the July Sitting, to consider their proposed amendments, along with a few others that may be identified in due course, suffice to say that the Standing Orders is not set in stone and that is the ongoing duty of the Committee, to consider and review proposed amendments in the course of a Parliamentary term.

### Review Report - Amendment of the Standing Orders of the Parliament of the Republic of the Fiji

HON. L.D. TABUYA.- Mr. Speaker, Sir, following the 2022 General Election and pursuant to Section 61 of the 2013 Constitution, His Excellency the President of the Republic of Fiji summoned Parliament to meet on Saturday, 24<sup>th</sup> December, 2022. It was on the same day that Parliament unanimously adopted the Standing Orders of 2019, which was published and gazetted on 1<sup>st</sup> April, 2019. Subsequently, Sir, your good-self informed Parliament that the Standing Orders Committee would convene to review the Standing Orders and report back to Parliament within 14 sitting days.

Mr. Speaker, Sir, the Standing Orders Committee met on three separate occasions - firstly, on 1<sup>st</sup> March; secondly, on 11<sup>th</sup> May; and, finally, on 5<sup>th</sup> June, 2023, respectively. On those occasions, the Committee met and discussed amendments to the Standing Orders.

Mr. Speaker, Sir, the proposed amendments to the Standing Orders which has been circulated to all honourable Members of Parliament are necessary because they impact the way Parliament conducts itself. These proposed amendments relate to the performance, functions and the workings of Parliament. In considering and reviewing the practices and procedures of Parliament, the proposed amendments which the Committee agreed to are hereby presented to Parliament as mandated under Standing Order 128.

Mr. Speaker, Sir, the Report of the Standing Orders Committee, by Convention, is a functional document. The recommended amendments, as well as the Committee Meeting Minutes are annexed to the body of the Report, and I hereby commend this Report to Parliament as recommended by the Standing Orders Committee.

MR. SPEAKER.- Please, hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

HON. L.D. TABUYA.- Mr. Speaker, Sir, pursuant to Standing Order 128(3), I hereby move a motion without notice:

That the debate on the contents of the Report is initiated on Wednesday, 12<sup>th</sup> July, 2023.

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

Question put.

Motion agreed to.

### **ADJOURNMENT**

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

That Parliament adjourns until Monday, 10<sup>th</sup> July, 2023, at 9.30 a.m.

HON. S. TUBUNA.- Mr. Speaker, Sir, I second the motion.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, that brings us to the end of our Sitting today and I trust that Members will utilise the coming week to prepare well for the Budget Debate on the following week.

On that note, I thank the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics for delivering the 2023-2024 National Budget Address. I thank honourable Members for your forbearance, and I thank all those watching the proceedings and our invited guests who have joined us in the gallery.

Parliament is now adjourned until Monday, 10<sup>th</sup> July, 2023 at 9.30 a.m.

The Parliament adjourned at 1.07 p.m.