

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

MONDAY, 28TH SEPTEMBER, 2026

[CORRECTED COPY]

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MONDAY, 28TH SEPTEMBER, 2026

The Parliament met at 9.36 a.m. pursuant to notice.

MR. SPEAKER took the Chair and read the Prayer.

PRESENT

Hon. Sitiveni Ligamamada Rabuka, Prime Minister and Minister for Civil Service 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 Industries, Commerce, Business Development and Public Enterprises

Hon. Esrom Yosef Immanuel, Minister for Finance

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

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

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

Hon. Pio Tikoduadua, Minister for Defence and Veteran Affairs

Hon. Charan Jeeth Singh, Minister for Multi-Ethnic Affairs, Culture, Heritage and Arts

Hon. Tomasi Niuvotu Tunabuna, Minister for Agriculture, Waterways and Sugar Industry

Hon. Sashi Kiran, Minister for Women, Children and Social Protection

Hon. Ifereimi Vasu, Minister for iTaukei Affairs

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

Hon. Viliame Naupoto, Minister for Immigration

Hon. Ioane Naivalurua, Minister for Policing and Communications

Hon. Alitia Vakatai Bavou Cirikiyasawa Bainivalu, Minister for Fisheries and Forestry

Hon. Aseri Masivou Radrodoro, Minister for Education

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

Hon. Jese Saukuru, Minister for Youth and Sports

Hon. Aliko Bia, Assistant Minister for Youth and Sports

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

Hon. Lenora Salusalu Qereqeretabua, Assistant Minister for Foreign Affairs

Hon. Iliesa Sovui Vanawalu, Assistant Minister for Education

Hon. Ratu Rakuita Solesole Sauramaeva Vakalalabure, Assistant Minister for Defence

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

Hon. Ratu Josaia Bulavakarua Niudamu, Assistant Minister for Justice

Hon. Penioni Koliniwai Ravunawa, Assistant Minister for Health and Medical Services

Hon. Naisa Tatau Tuinaceva, Assistant Minister for Public Works, Meteorological Services and Transport

Hon. Inosi Kuridrani, Assistant Minister for Agriculture and Waterways

Hon. Sachida Nand, Assistant Minister for Commerce and Business Development

Hon. Shalen Kumar, Assistant Minister for Multi-Ethnic Affairs

Hon. Prof. Biman Chand Prasad

Hon. Kalaveti Vodo Ravu

Hon. Alipate Nagata Tuicolo

Hon. Taito Rokomatu Matasawalevu

Hon. Inia Batikoto Seruiratu, Leader of the Opposition

Hon. Jone Usamate

Hon. Premila Devi Kumar
Hon. Faiyaz Siddiq Koya
Hon. Semi Tuleca Koroilavesau
Hon. Alvick Avhikrit Maharaj
Hon. Parveen Kumar Bala
Hon. Viam Pillay
Hon. Hem Chand
Hon. Joseph Nitya Nand
Hon. Rinesh Ritesh Sharma
Hon. Virendra Lal
Hon. Ketan Kirit Lal
Hon. Vijay Nath

Absent

Hon. Sakiasi Raisevu Ditoka, Minister for Foreign Affairs and External Trade
Hon. Lynda Diseru Tabuya, Minister for Information and Environment and Climate Change
Hon. Mosese Drecala Bulitavu, Minister for Rural and Maritime Development and Disaster Management
Hon. Isikeli Tuiwailevu, Assistant Minister for iTaukei Affairs
Hon. Sanjay S. Kirpal

MINUTES

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

That the Minutes of the sitting of Parliament held on Tuesday, 22nd September, 2026, as previously circulated, be taken as read and be confirmed.

HON. A.V.B.C. BAINIVALU.- Mr. Speaker, I beg to second the motion.

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE SPEAKER

Welcome

I welcome all honourable Members to today's Sitting and to all those joining us in the gallery and those watching the live broadcast on television and the internet.

CWP Fiji Group Pinktober Awareness Programme

For the information of honourable Members, please, kindly take note that the Commonwealth Women Parliamentarians (CWP) Fiji Group will host a Pinktober Awareness Programme on Thursday, 1st October, 2026 during the morning tea break. The programme will focus on raising awareness on breast and cervical cancer, the importance of early detection and screening and supporting those affected by cancer.

Donation receptacle will be available during the programme for Members to make a

contribution towards the cancer-related initiative. Pinktober merchandise will also be available for honourable Members to view and purchase as part of the awareness initiative. I encourage honourable Members to bring along their donations on Thursday and join the CWP Fiji Group in supporting this very important awareness initiative.

Inaugural First Ordinary General Assembly of PIPA

Honourable Members, as I had advised the Business Committee, the Parliament of Fiji participated in the Inaugural First Ordinary General Assembly of the Pacific Inter-Parliamentary Assembly (PIPA) in Papeete, Tahiti, French Polynesia from 7th to 11th September, 2026.

The Assembly marked a significant milestone in the establishment of PIPA as the Pacific's permanent parliamentary organisation. Delegates adopted the *Vaiete Declaration*, which reaffirmed the commitment of Pacific Parliaments to strengthening regional co-operation, dialogue, and a collective parliamentary voice on issues of shared concern.

CONSOLIDATED REVIEW REPORT – FOOD PROCESSORS (FIJI) PTE LIMITED 2008-2019 ANNUAL REPORTS

MR. SPEAKER.- Honourable Members, we have eight Standing Committee Reports for debate today. It has been decided upon by the Business Committee that Members wishing to contribute to the debates will have 10 minutes to speak. This extension of time applies only to the current sitting.

HON. K.V. RAVU.- Mr. Speaker, Sir, I move:

That Parliament debates the Consolidated Review Report on Food Processors (Fiji) Pte Limited's Annual Reports for the period 2008–2019, which was tabled on 19th August, 2026.

MR. SPEAKER.- Honourable Member, we have not seconded the Report yet. Is there a seconder to the Report?

HON. V. NATH.- Mr. Speaker, Sir, I rise to second the motion.

MR. SPEAKER.- This is now your time to speak on the motion.

HON. K.V. RAVU.- At the outset, I wish to place on record that this Report reflects the work undertaken by the Standing Committee on Natural Resources in fulfilling its parliamentary oversight responsibilities under the Standing Orders. The Annual Reports covering the period 2008-2019 were referred to the Committee for consideration, examination, and reporting to Parliament. In undertaking its review, the Committee considered the Annual Reports, received evidence from the Board and Management of Food Processors Fiji and undertook a site visit to gain a better understanding of the company's operations.

Mr. Speaker, Food Processors Fiji plays an important role in Fiji's agricultural and economic development. As a government-owned enterprise, the company contributes to the processing and value-adding of locally produced commodities while supporting farmers, creating employment, and contributing to food security and economic activity.

The Committee review identified a number of areas that require continued attention, including

financial sustainability, ageing infrastructure and equipment, raw material supply, storage capacity, governance, audit completion and modernisation of operations.

At the same time, the Committee acknowledges the initiatives undertaken by the Company to improve its operations, including efforts towards mechanisation, renewable energy, internal audit, risk management and stronger engagement with farmers and stakeholders. The Committee has made recommendations aimed at strengthening the Company's governance, financial management, operational efficiency, sustainability, and long-term viability.

Mr. Speaker, one of the important matters highlighted by the Committee is the need to strengthen the link between local production and local processing. For Food Processors Fiji to operate effectively, there must be a reliable supply of quality raw materials from our farmers to producers. Stronger collaboration between the company, farmers, and relevant government agencies will therefore be important in supporting consistent production and market opportunities.

The Committee also recognises the need for appropriate investment in modern processing equipment, infrastructure, storage, and technology to improve efficiency and competitiveness. In addition, the Committee noted the importance of timely finance reporting, completion of outstanding audits, and sound governance arrangements to strengthen accountability and public confidence in the company.

The Committee also welcomed the company's initiatives in renewable energy and environmental sustainability. These initiatives provide opportunities to improve operational efficiency, manage costs, and support Fiji's broader sustainability objectives. The Committee further encourages the company to explore opportunities for greater value addition, including the productive use of processing by-products and waste.

While this Report covers the historical period of 2008-2019, the Committee considers that the issues and recommendations arising from the review remain relevant to the company's ongoing development. The Committee's intention is not only to identify areas requiring improvement, but also to recognise progress and encourage continued efforts to strengthen Food Processors Fiji as an important component of Fiji's agricultural value chain.

Mr. Speaker, Sir, on behalf of the Standing Committee on Natural Resources, I acknowledge the contributions of the Committee Members, the board and management of Food Processors Fiji, the relevant government agencies, and all stakeholders who assisted the Committee during its review.

I also acknowledge the work of the Committee secretariat in supporting the Committee throughout this process. I commend the Considered Review Report on the Annual Reports of Food Processors (Fiji) Pte Limited for the period of 2008-2019 to this honourable House for consideration and debate. I look forward to the contributions of honourable Members as we consider the findings and recommendations contained in this Report.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. I have a list of speakers with me, and at the end of the debate, we will have the Right of Reply from the mover.

HON. S.L. RABUKA.- Before I contribute to the debate, Mr. Speaker, Sir, I bring sad tidings about the death of a Member of the Government Coalition, which occurred last night. Honourable Inosi Kuridrani has left our ranks. Details will be provided as they come to hand. I send condolences of the Government to his family, *Vanua o Nakuruvakarua* and to honourable Members of the House. I give this time to you, Mr. Speaker, Sir, and I will continue with my contribution.

MR. SPEAKER.- I think we all agree that we received this sad news on behalf of Parliament on the passing of honourable Inosi Kuridrani. I would like to offer, on behalf of all of you Members of Parliament and our staff of Parliament, to his family. Our deepest condolences for his untimely passing. Therefore, before we proceed with other matters this morning, I would like us to honour him and have a one-minute silence now.

(Parliament observed a minute of silence)

MR. SPEAKER.- Honourable Members, I am sure that in time, there will be proper tributes paid to the dearly departed. We will now proceed as before, and we will call on the honourable Prime Minister to continue with his contribution.

HON. S.L. RABUKA.- Mr. Speaker, Sir, the Consolidated Review Report on the Annual Reports of Food Processors (Fiji) Pte Limited for the period 2008-2019 covers a much earlier period than our time here in Parliament. It provides a very useful record of the financial challenges faced by Food Processors Limited. During that period, they had some losses, cash flow difficulties and also the need periodically for government support.

The important point from the Ministry of Finance in looking over this Report is that, these are not simply matters relating to the company. When a State-Owned Entity (SOE) requires government grants, financial support or other assistance, there is ultimately a cost and fiscal risk to the Government. This is why the Government is taking a broader look at the performance of SOEs.

Some of the strengths and weaknesses conveyed to this august House by Parliamentary Paper No. 69 of 2026 now before us to debate will be taken into consideration as the Government continues to look at the promises of our SOEs. Sir, \$50,000 was given under the 2026-2027 National Budget for the review of SOEs. That review is intended to look at their performances, efficiency, operations and sustainability of the SOEs and identify measures to improve their performance and reduce their reliance on Government support.

Food Processors (Fiji) Pte Limited is one of the six agriculture-related public enterprises identified for review. Together with Agricultural Manufacturing Authority of Fiji, Fiji Rice Limited, Fiji Coconut Millers, Fiji Meat Industry Board and Yaqara Pastoral Company are also being studied. The review is important because Government must be clear on the role of each SOE, the value that it provides to the people of Fiji and to the economy and whether the current structure and level of Government support must remain; whether it remains or not depends on how we study those reports, the experts and the ministries look at those as we move forward.

The review is not simply about providing more funding, it is about understanding what is required for these entities to operate more efficiently, improve their financial performance, strengthen their management and governance and where possible become less dependent on government.

Mr. Speaker, Food Processors, this is an opportunity to look at the lessons from the periods covered in the Annual Reports and consider the improvements that must be made and also the improvements that have happened since the Reports came out. The company has gone through a very difficult period but has also demonstrated improvements in its more recent financial performance. The focus now should be on sustaining that improvement and ensuring the company can operate on a financially sustainable basis. I thank the Committee Members for the work they have done before the Report was brought to this House.

HON. V. NATH.- Mr. Speaker, I convey my deepest condolences to the family of our parliamentary colleague on his passing. I worked with the honourable Member for two terms as we shared the same Committee, honourable Tuisawau will agree that we shared a lot of stories during the last term. In this term he served as the Deputy Chairman for the Standing Committee on Natural Resources. At this difficult time, I extend my sincere sympathy to his family.

Mr. Speaker, Sir, I rise to contribute to the debate on the Consolidated Review Report of the Annual Reports of Food Processors (Fiji) Pte Limited. I do so, not only as a Member of Parliament, but also as a Member of the Standing Committee of Natural Resources which considered this matter. At the outset, I wish to acknowledge the work undertaken by the Committee, the board and management of Food Processors Fiji Limited, the Ministry for Agriculture and Waterways and all those who provided evidence and information during the Committee's deliberations.

Mr. Speaker, Sir, this Report is important because Food Processors Fiji Limited is not simply another Government-owned company. It sits at an important point in Fiji's agricultural value chain, food security, employment and rural economic development.

Mr. Speaker, Sir, when this company performs well, it benefits our farmers, workers, consumers and the wider economy, but when the company continues to struggle, ultimately the people of Fiji face the consequences. That is why I believe we must look beyond simply accepting the recommendation of this Report. We must ask a fundamental question. What will be different after this Report because Parliament has considered the Report, made recommendations and identified the problems before. What matters is whether those recommendations are actually implemented.

Mr. Speaker, Sir, the issue of governance. The Committee has recommended that Fiji Processors Fiji undertakes a periodic board skills and competency gap assessment. I strongly support this recommendation. The government-owned commercial company requires a board with the appropriate combination of commercial experience, financial knowledge, agricultural understanding, food processing expertise, marketing capabilities, engineering and technical knowledge, and corporate governance. The board appointment cannot simply be about filling positions. It must be about filling skills gap and ensuring that the right expertise is available. If the company is expected to modernise, enter a new market, work effectively with farmers, improve profitability, and compete commercially, then the board must have the capability of guiding that transformation.

I would go one step further. A skill assessment should not mainly sit on the piece of paper. The shareholders should be able to demonstrate what skills are currently available on the board, what skills are missing, and what skills are required for the future. And importantly, how has board performance been measured? That is what accountability should mean.

Mr. Speaker, Sir, another issue is modernisation. The Committee has identified that much of Food Processors Fiji's processing remains manual. The Report tells us that manual processing provides employment opportunity and allows for quality inspection, but it also recognises that excessive reliance on manual processing can affect production efficiency, processing capability, and scalability. We need to be careful here.

Modernisation must not simply mean replacing people with machines. These are Fijian workers, they have families and this is their source of livelihood. The objective should be to create a more productive workforce support by better technology. If machines can improve processing speed, reduce waste, improve consistency, and allow the company to produce more, then that technology should be embraced, but our workers must also be trained to operate and maintain that technology. Therefore, mechanisation must go hand in hand with skills development. Food Processors Fiji should

have a clear modernisation plan, with a clear timeline, clear investment requirement, clear productivity target and measurable outcome. Mr. Speaker, Sir, we should not come back to Parliament after five years and hear once again that the company's equipment is still ageing. We now need action.

The last and perhaps the most important issue is the farmer. The Committee identified inconsistencies in the supply of raw materials from local farmers and suppliers. This is a major concern because we cannot talk about agro processing without talking about agriculture. We cannot ask farmers to produce more while the processor is unable to provide a reliable market. We cannot expect the processing plant to operate efficiently when the supply of raw materials is unpredictable. This is where the lack of coordination between Fiji Processors Fiji, farmers and the Ministry's Extension Office becomes particularly concerning.

The Committee has identified this lack of synergy. I believe we need to correct it. We need a much stronger relationship between the farmer, extension officer, processor and the market. The entire chain must work together. Farmers need to know what Fiji Processors Fiji requires. They need to know the quality specification, the quality required and when the produce is required.

Mr. Speaker, Sir, importantly, they need confidence that if they invest in labour, land and resources into the production, there will be a reliable market. Our farmers must not be treated simply as suppliers. They are partners in the agricultural value-chain. If we want a stronger agro-processing industry, we must have a stronger and confident farmers. With those few words, I support the motion before the House.

HON. S. NAND.- Mr. Speaker, Sir, before I start, I would like to convey my deepest condolences to the family and friends of honourable Kuridrani. May his soul rest in peace. Our deepest condolences to the family.

Mr. Speaker, Sir, I rise to contribute to the debate on the Consolidated Review Report on the Annual Reports of Food Processors (Fiji) Pte Limited for the period 2008-2019, which was tabled by the Standing Committee on Natural Resources as Parliamentary Paper No. 69 of 2026.

At the outset, I wish to commend the Chairperson and Members of the Standing Committee on Natural Resources for the diligence they have shown in working through more than a decade of outstanding reports. I also acknowledge the board, management and staff of Food Processors, and the Committee secretariat for the evidence submissions and site visits that have formed this Report.

Mr. Speaker, Sir, Food Processors Limited was established in 1984 to add value to Fiji's agricultural and manufactured produce. It is one of Government's long-standing commercial companies, and it works in processing and exporting to countries and indirectly for our national commerce and business development agenda.

As the Report confirms, operations touches approximately 439 farmers and suppliers across the country, supporting rural livelihoods, strengthens national food security, and carry the name "Fiji" through products such as *palusami*, *dalo*, *duruka*, tomato sauce, chilli sauce, et cetera into markets such as in Australia, New Zealand, United Kingdom, Canada and United States of America.

Mr. Speaker, Sir, this Report does not shy away from a difficult history. For much of the period under review, the Committee found that Food Processors Limited recorded net loss, such as in the years 2009, 2010, 2011, 2014, 2018 and 2019, attributed to high operational costs and subdued revenue growth. This, Mr. Speaker, Sir, is tightly related to poor investment in the infrastructure of

the company and in machinery, which the company, together with the government, had an obligation to.

This Government does not take this lightly, Mr. Speaker, Sir. I am pleased that the Committee also placed this history in its proper context. The very reason these 12 Annual Reports are before the House today is because the Government moved to settle the unaudited accounts, redefine debt and place the company at risk of a mortgage sale and set the company on a path of compliance.

The turnaround since 2020 speaks for itself. Revenue has grown from \$2 million to \$3 million and \$6.6 million is projected for 2024. With the Committee noting the projected growth between \$6 million to \$8 million for 2026, this is the direction this Government expects its commercial companies to do. This is sustainable growth, sound governance and value return to the farmers and community who supply products to this company.

Mr. Speaker, Sir, the government accepts the substance of this Committee's 15 recommendations, and I wish to speak briefly on those with the most direct bearing on commerce and business development. On modernisation, Mr. Speaker, Sir, the Committee has rightly highlighted or identified that Food Processes Fiji Limited continued reliance on manual processing. While it preserves jobs and allows for careful quality inspection, constrains output and scalability. Government supports a phased mechanisation and automation plan that protects employment while lifting productivity alongside the structured asset replacement programme that the Committee has recommended.

On raw material supply, Mr. Speaker, Sir, I note the Committee's finding on insufficient coordination between Food Processors Fiji Limited, farmers and the Ministry for Agriculture. It has correctly identified the need for working in collaboration and not in isolation. Government will continue to support stronger contractual and communication agreements so that farmers supplying to the factory is more consistent and Food Processors has the capacity to fully utilize all the supplied materials rather than periodically underuse these.

Mr. Speaker, Sir, Food Processors competes with other similar institutions in procuring raw materials. There needs to be a better coordination between Food Processors, Agro Marketing, Ministry of Agriculture and the farmers.

On financial governance, Mr. Speaker, Sir, Government welcomes the Committee's call for the timely completion of all outstanding financial statements and audits and for the board's skills and competency composition to be immediately reviewed. Food Processors Fiji Limited engaged Pal & Associates for the 2025 to 2027 review or audit programme is commendable and is targeted to clearing of remaining audit backlog that the company has.

On sustainability, Mr. Speaker, Sir, the Batiri Solar Farm Project and the Green Factory Conservation Programme, alongside the Government and KOICA-funded rooftop solar initiative at the Vatuwaqa factory, are welcoming examples of SOEs aligning commercial recovery with renewable energy and climate resilient commitments. The Government also notes, Mr. Speaker, Sir, the Committee's support in principle, for Food Processors Limited's request for fuel subsidy and assistance, subject to relevant policy requirements being met.

I also associate myself with the Committee's observation under Standing Order 110(2) on gender. The absence of consistent gender desegregation employment data across 2009-2019 annual audits is a genuine gap, and I encourage Food Processors Limited to adopt more systemic reporting going forward. This Report tells the story of a Government Commercial Company that has moved from decades of

underfinance and audit negligence towards compliance, transparency, renewable commercial viability. The work is not finished.

Ageing equipment, storage constraints, and audit backlog remain to be fully addressed. But under this Government, the direction is right, and it is one of this Government's key priorities to continue with this support. I commend the Standing Committee on Natural Resources for a thorough, balanced report, and I support this motion for the report to be noted, and its recommendations to be acted upon. Mr. Speaker, I support the motion before the House.

HON. J.N. NAND.- Mr. Speaker, before I begin, I also would like to offer my sincere condolences to the late Kuradrani's family. He was our Deputy Chairman and a Member of the Committee, and he also played for the Nadroga football team. In my days as coach of Nadroga, he used to follow Nadroga soccer often and last week when we had our Committee meeting, he was looking forward to this Report to be tabled in Parliament and the IDC in the next two weeks. We will miss his guidance, leadership and wisdom.

Mr. Speaker, with a heavy heart, allow me to proceed with my deliberation on the Annual Reports of Food Processors Limited during the period 2008-2019. Mr. Speaker, Sir, when a company spends more than a decade grappling with severe financial losses, ageing infrastructure and mountains of complicated audit reports, it forces us to look past the balance sheets and ask hard questions whether we are going in the right direction or not. These long-standing challenges are not just numbers on paper. They reflect the real struggles of the local enterprise, trying to survive in an environment where imported goods dominate our shelves and foreign processors dictate the value of our own agricultural produce. Every time we ship our raw agricultural produce overseas, only to buy it a bit later as an expensive foreign processed food, we are exporting our own employment opportunities and importing inflation straight into our kitchens.

This cycle weakens our farmers, drains our foreign reserves and keeps our domestic industry stuck in a position where they can never fully grow to compete. Protection without financing is just an empty promise if we genuinely want our local enterprises to stand strong against global supply chain shocks, we must give them real, unhindered access to capital when they need to upgrade, grow and develop. Mr. Speaker, Sir, a company cannot modernise its equipment, improve its production lines or expand its processing capacity as it is forced to navigate slow, restrictive and inaccessible financial channels.

Mr. Speaker, I rise to contribute and share that this Report is good for the farmers, but at the same time, we must all ensure that enough support is given to the company so that the company can prosper in the future. This Report shows how our decisive leadership, proper restructuring and a clear operational direction pulled the company back from the brink of sustained fortunes in recent years. This can now demonstrate that with the right support and governance, even struggling enterprises can become productive contributors to our economy. Mr. Speaker, this journey matters because it points directly to a wider economic reality for our nation.

As a country heavily reliant on imports, we spend too much time bringing in finished goods that we can easily produce, process and package right here at home. Every time we export our raw agricultural products without adding value. we export jobs and invite foreign inflation into our kitchens, and we must break this pattern.

Mr. Speaker, Sir, the key to a true economic stability that when we process all crops into shelf-stable cans and ready for produce to be shelved, we lower our import bills and give our farmers a reliable consistent market, we must go further on that. We need to protect our locally produced

goods from foreign markets, floods that threatens our domestic producers and undermine the confidence of our farmers. Protection alone is not enough. We must actively back our businesses whether they are in state-owned or driven by private investment.

These enterprises need proper, easy access to financing when the time comes to upgrade these equipment, adopt modern technology and expand their operations. If we want our local industries to stand strong against our global supply chain shocks, we must make sure that they have the financial backing to scale up, process more local crops and keep wealth right here in Fiji.

Mr. Speaker, Sir, I give this Report my full support and I hope that the next government will give the much-needed financial support to the local industry.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I also pay my deepest condolence to the late honourable Kundrani's family. It is rather unfortunate that we have lost two colleagues in such a short time. May their families find strength and comfort during this difficult time.

Mr. Speaker, Sir, I will now speak on the motion before the House. I would like to start by saying that what I am going to talk about today is really not to criticise the hardworking men and women who keep our SOEs such as Food Processors operating but to raise a fundamental question of public accountability. The question that I would like to pose to the Parliament is, are we getting sufficient value from the billions of dollars of public assets and public money invested in our SOEs? This is a question that government itself has recognised and is committed to addressing.

Mr. Speaker, Sir, His Excellency in his opening address earlier this year said that government would strengthen governance, performance and accountability in SOEs. In the June 2026 Budget, the honourable Minister for Finance announced a comprehensive review of SOEs and selected public bodies to improve efficiency, strengthen governance, increase profitability and eliminate duplication. The Minister also said that taxpayers deserve value for money and government assets must work harder for people and I hope the honourable Minister will update the Parliament on the progress of this review, if not today at a later date.

The Asian Development Bank finding balance 2023 Report provides an important picture of Fiji's SOE portfolio. In 2021, SOEs held about \$4.2 billion in assets and this must have increased due to valuation representing around 16 percent to 22 percent of Fiji's fixed assets. Yet, from 2010 to 2021, the portfolio averaged, only 4 percent return on equity, 2.1percent return on assets and contributed an average 3.7 percent to GDP.

Mr. Speaker, Sir, these figures show a substantial public asset base but modest returns from few sectors which includes power, port and telecommunications. Government has legitimate reasons to retain strategic assets where there is a natural monopoly, an essential public service or a national interest as we have seen with Fiji Airways, but that justification is harder to sustain when government owns commercial enterprises operating in competitive markets without delivering adequate returns year after year. That is where Food Processors presents a serious case for examination.

Mr. Speaker, Sir, the Consolidated Review Report of Food Processors (Fiji) Pte Limited from 2008 to 2019 is deeply concerning. Food Processors recorded a net loss in 11 of the 12 years reviewed. Its only profitable year was 2008 and it was not because of strong underlying trading performance but was driven by a fair value gain in investment property. From 2009 to 2019, cumulative losses were approximately \$6.4 million. This is not a matter of one difficult year or even several difficult years. It is a prolonged failure to generate sustainable commercial returns. The company's own chairperson told the Committee that the company came close to losing approximately

\$3.5 million worth of assets through a mortgagee sale and that the immediate solution was sale of two of its properties.

Mr. Speaker, selling assets to survive is a disaster. The financial record is only one part of the problem. The Auditor-General issued disclaimers of opinion for three years, citing issues including inadequate documentation relating to inventory, property tax liabilities, trade payables and deferred income. For a company owned by people of Fiji, proper governance, audited accounts and effective internal controls are fundamental requirements. The Public Accounts Committee also had a look at the Food Processors in its August 2024 report, labelled it as a problematic enterprise with serious weaknesses in its internal controls, and during that time, the Committee also recommended that Food Processors needs to be merged.

Mr. Speaker, according to the information before the Committee, Food Processors received approximately \$5.2 million in government grants from 2019-2020 budget to 2024-2025 budget in addition to earlier capital support. However, during this period, Food Processors has not returned any dividend to the government. Since Food Processors is operating as a commercial enterprise, it must ultimately be judged by commercial standards.

There is another fundamental question; why should Government own a food processing and canning business competing directly with private businesses? Sir, Food Processors operates in a competitive environment. It competes with private food processors and with imported products and as management acknowledged before the Committee, it also faces competition from another government-owned enterprise which is Agricultural Marketing Authority.

Mr. Speaker, Government cannot tell the private sector, “You are the engine of growth” while simultaneously using taxpayers’ money to sustain a state-owned commercial competitor that has repeatedly failed to generate a return. It is about creating a level playing field and ensuring that Government focuses on those areas where state ownership is genuinely justified or where private sector cannot provide those services or goods.

The Committee site visit also revealed why Food Processors is struggling. Members observed that much of the company's production and processing remains manual with heavy reliance on labour for processing, sorting, preparation, packaging and handling. Management confirmed that there is still no machine to automate the filling of *palusami* into cans, one of Food Processors’ flagship products and we are in 2026. The Committee also identified aging plant and equipment, high maintenance requirements and inconsistent supplies of raw materials from farmers which can result in underutilisation of processing capacity. So, if Government is going to continue owning this business, then it must be able to demonstrate how the enterprise will become commercially sustainable.

Mr. Speaker, I want to emphasise that Food Processors should not be treated as an isolated case. The Public Accounts Committee in its wider assessment of SOEs found serious weaknesses in strategic governance management and supervision over many years. There is a model already that exists and it started during the Bainimarama Government where Asset Fiji Limited was established as an asset holding company to protect Government assets, where shares in SOEs or state-owned businesses can be divested. Under this arrangement, the underlying assets remain protected while only shares in the business are divested. Government retains 51 percent of the shares, ensuring that a majority ownership remains with the people of Fiji while the remaining shares are made available for divestment. I hope that we will be able to use such models to make some of these SOEs profitable.

Mr. Speaker, Sir, I want to be very clear about one thing, this debate is not about abandoning the workers and the farmers, and it is certainly not about neglecting the rural communities that depend on agricultural production and markets. Those concerns must be part of any restructuring decision. But protecting workers and farmers does not necessarily require government to own the business indefinitely. A stronger private partner joint venture merger with a more capable enterprise or another commercially sustainable structure could potentially provide greater security than repeatedly injecting public money into an enterprise that continues to struggle.

And Mr. Speaker, Sir, finally, we have not been giving the attention that public enterprise requires. We have seen that initially the portfolio was with the Prime Minister, then it moved to honourable Singh, and now finally it is with honourable Kamikamica. I hope with honourable Kamikamica, we will see some changes made to the SOEs so that it becomes profitable and the state or the government will not lose money in just propping some of the SOEs just because we own it. But if they are not generating any profit, we should let them go.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, I rise to lend my support to the Consolidated Review Report on Food Processors from 2008 to 2019. From the outset, I would just like to say to everyone, “hold your horse, let us not throw out the baby with the bathwater.” I say that Mr. Speaker because from what I have seen in my interactions with Food Processors, with the right direction, you are looking at a \$20 million to \$50 million revenue turnover company. I say that some of us may not realise, but Food Processors is participating in an area where it really tries to link our rural economy to markets. And all we need, Mr. Speaker, is a bit more support to this company. It now, in my view, has quite a good board at the moment and good leadership through the board and we should see some positive changes.

Firstly, Mr. Speaker, I have to say that this will be one of the last few times we stand up and have a go at each other in this House. If you look at the financial reporting and governance, the question has been asked, why has it been unprofitable? The answer is very clear. If you do not have good financial accountability, if you do not have good governance, this is what you will see.

Mr. Speaker, it goes without saying that the period in question is the period when the other side of the House was running this country. It is a reflection on what has happened tragically for a few years to Food Processors. That said, I am filled with a lot of optimism. If you look at the unaudited accounts from 2022 onwards, they are reporting unaudited profits, which is positive. They are in this Report, already fixing their accounts, and in the report, they talk about being committed to actually completing at least the 2023 reports by August 2026, the 2024 report by September 2026 and 2025 by December 2026 or January 2027. Over the course of our time in Parliament, Mr. Speaker, Sir, we have fixed the issue of financial accountability and, perhaps, good governance in this House through the leadership of the honourable Prime Minister and honourable Charan Jeath Singh.

Mr. Speaker, Sir, I thought I would just talk a bit about some of the other good governance initiatives that this company has initiated. They have started an internal audit function within the company and that, again, is a good signal. For those of us who are in the profession, when companies decide to put a torchlight on their own processes internally, that is a very good start, before the auditor wanders in once a year and tries to look at the financial statement. So, we should congratulate Food Processors for initiating that recently and I hope that they will continue because it will certainly enhance their operations.

I also note some of the facility upgrades that they have been doing, one which I opened recently in Batiri, and I will talk about that a bit more. Also, they have ISO 9001 certification and are

also looking at solar for their Vatuwaqa factory. I believe they are looking at something in Batiri as well.

We have to note the old story, Mr. Speaker, Sir, that if you fail to plan, you plan to fail. One of the fundamental things which we have seen that all our SOEs start doing now which they had not done in the past is actually having proper strategic plans in place, which gives a level of accountability to the Board and the Management, and with which Government can then work with the Board and Management to try and drive this company forward. Again, I congratulate the leadership of Food Processors for introducing their five-year strategic plan. I am sure we will continue to support them going forward.

I thought I will just spend a little bit of time, Mr. Speaker, in mentioning some other initiatives that they have done. They have upgraded their IT system. That, again, is another feather in the cap in the journey of financial accountability. A more automated system means faster reporting. That is, perhaps, why they are now able to close off the financial accounts very rapidly, as opposed to before.

I mentioned the Batiri factory which is now going to do processing of *tavioka* and *dalo*. They have cold storage within that facility. What that means, Mr. Speaker, notwithstanding the correct observation by honourable Premila Kumar about somewhat of a duplication between Agro Marketing Authority and Batiri, which I hope we can look at some point. However, the creation of that factory will open up opportunities for Vanua Levu in terms of export of *dalo* and *tavioka*, and I am talking about mainland. Batiri will play a very pivotal role in actually creating that momentum.

Mr. Speaker, Sir, out of that discussion, we are now talking to the landowning unit in Batiri. We plan to encourage them to start up a cooperative. They have so much land, as the honourable Seruiratu will know, in that Batiri area, which can be put to good use. Discussions are happening over the next few weeks with our Cooperative Unit. We hope to, at least, provide some support to the landowners of Batiri so they can actually start producing for a factory which is now right at their doorstep and can export to the rest of the world.

One of the other hidden strengths of this company, Mr. Speaker, Sir, is their ability to find a lot of very interesting products. I hope at some stage, we can then market them at scale. If you count the Pacific Islanders and the diaspora around the world, you are talking about 500,000 to a million people easily. I talk about what they have done with *duruka* and what they have done with *palusami* or *rourou*. Right now, in Verata, Navunimono, the ladies of Navunimono prepare *rourou* every week for Food Processors and they earn very good money, Mr. Speaker, Sir, from that support.

I also was in Naivuruvuru recently, another cooperative has been set up there for the very reason to do more *dalo* and *tavioka* export another, Mr. Speaker, Sir. So, these are the types of really good initiatives that this small company has been able to do. I think with the right support and the right direction, we can really leverage this company into a larger company.

I do also support the thinking by honorable Premila Kumar about partnerships and, perhaps, strategic partnerships with other companies. I am aware that Food Processors is of interest to some private sector companies and that may be, perhaps, another opportunity to scale up and grow.

Also, Mr. Speaker, Sir, the potential to reach into the rural sectors and our rural economy using Food Processors, given their unique strengths, is something that we should try and harness to try and develop more and more of the rural economy.

With those few words, Mr. Speaker, Sir, I fully support the Report before the House and I also congratulate the leadership of the Board of Food Processors, who have been quite instrumental in tidying up the company. I certainly look forward to Government in continuing to work with them to ensure that in the years to come, we develop a more formidable Government entity when it comes to commercial agriculture in Fiji. I thank you, Mr. Speaker.

MR. SPEAKER.- I will now give the floor to the Chairperson of the Standing Committee on Natural Resources to exercise his right of reply.

HON. K.V. RAVU.- Mr. Speaker, Sir, before I respond to the honorable Members' contributions, I wish to extend my condolence message on the passing of honorable Kuridrani. It is with deep sadness and profound sorrow that I extend my heartfelt condolences to the passing of honourable Kuridrani. Honourable Kuridrani serves with dedication, integrity and unwavering commitment as Deputy Chairman of the Standing Committee on Natural Resources. During this difficult time, our thoughts and prayers are with his family, loved ones and colleagues, so on behalf of the Committee, we convey our deepest sympathies and sincere condolences to his family.

Mr. Speaker, Sir, I respond to the contributions made on the Consolidated Review Report and I sincerely thank the honourable Members for their constructive commitment, observations and support towards the work achieved by the Company. Food Processors Fiji Limited continue to play a vital role in supporting the future of the agriculture sector, strengthening food security, creating employment opportunity and providing market access to our local farmers and producers.

The achievements highlighted in this Report reflect on the Company's commitment on its mandate and objectives. I would also like to take this opportunity to acknowledge and express my sincere appreciation to the Board, the directors, the Chief Executive Officer, Managers, and dedicated staff of the Company for their hard work, professionalism, and commitment throughout the reporting period. Their efforts had contributed significantly to the Company's performance and continued service to our agricultural communities.

Mr. Speaker, Sir, while there are challenges ahead, the Company remains focused on its improvement, operational efficiency, enhancing value-added production, supporting local farmers and contributing to the national economy and development. In conclusion, I commend this Report to Parliament. Thank you, Mr. Speaker.

MR. SPEAKER.- The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

Honourable Members, before we suspend our proceedings for our morning break, just a footnote to the sad news on the passing of honourable Inosi Kuridrani. For those of you who know his background and where he came from and those who had the privilege of working with him, know of his work ethics as well as his achievements, I think it would be in keeping with his character and persona that Parliament should continue with its work uninterrupted as scheduled. We do so today and the rest of this week in his honour and in tribute to him, the late honourable Inosi Kuridrani.

Honourable Members, we will now suspend proceedings for refreshment.

The Parliament adjourned at 10.45 a.m.

The Parliament resumed at 11.31 a.m.

**CONSOLIDATED REVIEW REPORT - RAKIRAKI TOWN COUNCIL
JANUARY-JULY 2020 AND 2020-2021 ANNUAL REPORTS**

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, I move:

That Parliament debates the Consolidated Review Report on the Rakiraki Town Council January to July 2020, and the 2020-2021 Annual Reports, which was tabled on 19th August, 2026.

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

HON. L.S. QEREQERETABUA.- May I join my Parliamentary colleagues in paying tribute to the memory of the late Inosi Kuridrani. On behalf of my family and I, we wish his family peace of the Holy Spirit and we wish honourable Kuridrani, whom I had the honour to serve with in the Opposition from 2018 to 2020 and briefly when he rejoined Parliament in July 2025. We pass on our deepest condolences to his family.

Mr. Speaker, if you would let me, I would like to also continue this by acknowledging the tragic sinking of the *MV Matui* in Vanuatu on 11th September. On behalf of the people of Fiji, I extend our deepest condolences to the families who have lost loved ones, and our prayers are with those who continue to grieve.

Sir, when the search was called off on 18th September, the numbers stood at 14 survivors, two bodies recovered, and 37 people were still missing, amongst them were women and children. Mr. Speaker, Sir, this tragedy is a painful reminder that across the Pacific, the sea that connects our communities is also capable of taking lives, and our people depend on inter-island shipping for their livelihoods, education, health and family connections. I hope that this tragedy strengthens our collective resolve as Pacific nations to make the safety of our people at sea an absolute priority.

Mr. Speaker, Sir, the periods under review were particularly challenging for the Rakiraki Town Council. The Council had to manage impacts of four tropical cyclones and the COVID-19 pandemic, while continuing to provide essential municipal services to the people of Rakiraki.

Despite these challenges, Sir, the Committee found that the Council continued to fulfil its statutory responsibilities and maintained sound governance and financial management arrangements. Government and donor funding also supported the continued delivery of municipal services, including market development, waste management and environmental initiatives.

Mr. Speaker, Sir, I wish to highlight some of the key findings of the Committee. First, flooding and drainage remain significant challenges for Rakiraki Town. Of particular concern is Vaileka Creek, which the Committee was informed had not been de-silted since 2018. While routine drainage works continue, stronger inter-agency coordination and sustained investment in flood mitigation are required. The Committee also acknowledges the JICA Flood Inundation Mapping Study and the Council's investment in climate resilient infrastructure.

Second, Sir, several important development projects continue to experience delays. These include the Waimicia satellite town, municipal boundary extension and the relocation of the Rakiraki dumpsite. These delays are associated with land tenure issues, funding constraints and the need for greater coordination between responsible agencies.

Third, the Committee identified continuing concerns regarding waste management. The existing Naria dumpsite remains vulnerable to groundwater contamination and, of course, fire hazards, while the proposed regional landfill is still at the site identification stage. However, the Committee acknowledges the Council's initiatives in composting, preparations for the Return and Earn Programme and the expansion of waste collection services to surrounding villages.

Mr. Speaker, the Committee also wishes to recognise the successful operation of the Rakiraki Market. The Market accommodates 395 stalls and approximately 170 permanent members and has maintained full occupancy. Market revenue increased from approximately \$92,500 in 2020 to more than \$98,500 in 2025 and reached \$103,000 by May 2026. The facility also supports rural women vendors through its overnight accommodation facilities.

The Committee further acknowledged the Council's Environmental and Public Health Initiatives, including the Clean School Programme, tree planting, waste reduction and recycling awareness and mosquito control activities.

Mr. Speaker, Sir, arising from these findings, the Committee has made five recommendations. The Committee recommends that the:

- (1) Government, through the relevant agency, prioritise the desilting of Vaileka Creek, strengthen municipal drainage infrastructure and establish sustainable funding for drainage and flood mitigation. The Committee further recommends implementation of the findings of the JICA Flood Inundation Mapping Study to strengthen Rakiraki's long-term climate resilience.
- (2) Ministry of Local Government and Ministry of Lands prioritise the identification and development of a regional landfill for the Western Division while supporting the Council to expand waste segregation, recycling, composting and the Return and Earn initiative.
- (3) Ministry of Local Government expedites the gazettal of the approved revised market and Public Service Vehicle fees and support periodic reviews of user charges and licensing fees to strengthen the Council's revenue base.
- (4) Council should strengthen its revenue collection framework through greater engagement with ratepayers, digital payment options, improved debt recovery mechanisms and suitable payment arrangements.
- (5) Rakiraki Town Council improves safety standards at the Women's Accommodation Facility in the Rakiraki Market.

Mr. Speaker, Sir, we acknowledge that these Annual Reports relate to earlier reporting periods and that some of the matters may since have been addressed or may currently be under implementation. Nevertheless, the issues identified remain important for strengthening municipal governance, infrastructure planning, financial sustainability and climate resilience.

The Committee concludes that the Rakiraki Town Council has continued to deliver essential services, despite significant financial, environmental and operational challenges. Moving forward, Sir, we suggest stronger coordination between the Council, the Ministry of Local Government and other responsible agencies that will be critical to address flooding, drainage, waste management and other longstanding development priorities. With those remarks, Sir, I commend the motion to the House.

MR. SPEAKER.- I thank honourable Qereqeretabua. Honourable Members, the floor is now open for debate on the motion. I have a list of speakers with me. At the end of the debate, honourable Qereqeretabua will be given the Right of Reply.

HON. M.K. NALUMISA.- Mr. Speaker, Sir, before I provide my response, please, allow me to also convey my sincere, as well as deepest condolences, on the passing of our colleague, *koi lequ*, the late honourable Kuridrani. We pray that God will give comfort and peace to his family during this difficult time. May his soul rest in peace.

Mr. Speaker, Sir, I rise to respond to the Review Report of the Standing Committee on Foreign Affairs and Defence on the Rakiraki Town Council's January to July 2020 and 2020-2021 Annual Reports. I would also like to thank the Chairperson, as well as all the Committee Members for coming forward with a very comprehensive review, as well as coming forward with very good recommendations. It covers good governance, as well as the future sustainability of Rakiraki Town Council.

Mr. Speaker, Sir, our Coalition Government is restoring, strengthening and modernising Local Governments across the country. The Cabinet-endorsed review of the Local Government Act 1972 will modernise governance; clarify the roles of Municipal Councils, the Ministry, as well as the Minister responsible; and strengthen accountability, community participation, strategic planning, financial stewardship, as well as service delivery.

Government is also reforming waste management, particularly, in the Western Division through the planned closure and consolidation of open dumpsites and the transition to an engineered sanitary landfill system. This work, Mr. Speaker, Sir, has been coordinated with relevant Ministries and supported by our joint partners, including the Asia Development Bank (ADB), United Nations Capital Development Fund (UNCDF) and United Nations Development Fund (UNDP). These reforms will support sustainable, accountable and more responsive municipalities.

Mr. Speaker, Sir, out of the five recommendations, I will try and respond to the four very important ones. First is the importance of having a regional landfill, as well as improvement to waste management across RakiRaki Town. The Government recognises that continued reliance on open dumpsites is not sustainable. Cabinet has endorsed the Western Sanitary Landfill Project in 2024 and has also established a multi-agency working group. The current planning provides approximately 60 hectares of land between Lautoka and Ba, supported by two transfer stations between Sigatoka and Nadi, and two between Ba and Rakiraki.

The first phase covers remediation of four Western Division dumpsites, including Rakiraki. The Sigatoka remediation tender was published on 25th September, 2026, with work anticipated to begin in early 2027. In this two-year programme, we will establish a temporary engineered landfill, material sorting centre and composting facility, and also introduce mandatory sorting at source. Lessons learned from this project will inform national implementation. Raki-Raki, Lautoka and Ba will be addressed with the regional landfill project.

While the project advances, Mr. Speaker, Sir, the Ministry will continue to support Rakiraki Town Council to expand waste segregation, recycling, composting and waste recovery initiatives. As noted earlier by the Chairperson of the Committee, Return and Earn Programme is already operating in eight Municipal Councils, where more than 10.7 million aluminium cans as well as plastic bottles have been collected, generating up to \$972,000 in Council revenue. The expansion to Rakiraki and Tavua was anticipated in September or October 2026.

Another important recommendation that was brought up is on the municipal fees and charges, something that we have been working on. The Ministry is working very closely with the Office of the Solicitor-General to get this gazetted, so that it can be implemented by these Councils. We have increased, also changed, amended their fees and charges. Hopefully that also will support revenue, having sustainable ways or forms of sustaining the Councils.

The revised Local Government Act, Mr. Speaker, Sir, will provide for the periodic review of municipal fees, as well as charges. Future reviews should reflect the cost of delivery and municipal revenue needs, while remaining affordable for ratepayers as well as service users.

Another very important recommendation is safety standards at the women's accommodation. This is for those market vendors who are currently selling at the Rakiraki Market. Rakiraki Town Council has established an operating procedure and Occupational Health and Safety Committee for the women's accommodation. Eight CCTV cameras have been installed at the market, including one at the accommodation entrance.

Mr. Speaker, UN Women is also providing four rotating security cameras. The Ministry also requests a broad assessment covering security and access, lighting, fire safety, sanitation, maintenance, as well as refurbishment. If the Council's resources are insufficient, the Ministry will explore support from the UN Women and other development partners.

On the Waimicia Civic Market, as well as the bus station development, Mr. Speaker, Sir, the proposed Waimicia development will provide a public market and bus station in Waimicia, Nalawa, Ra, supporting transport, local farmers, vendors and surrounding rural communities. A very outstanding issue that we are facing now is to secure the parcel of land, Lot 24 RR 626, Dobuilevu, currently leased through the iTaukei Land Trust Board. We have also requested the Ministry of Lands to raise the Government's interest and engage with the Board to assist us in implementing this particular project.

The Ministry is also working with the Rakiraki Town Council to review previous municipal boundary and also identify outstanding consultation, technical planning, financial, as well as legal and administrative requirements.

On finance management and audit compliance, Mr. Speaker, Sir, the Rakiraki Town Council is one of the eight Municipal Councils covered by the Auditor-General's most recent report that is fully up to date with financial reporting. As of 30th June, 2026, the Council's 2024 and the 2025 accounts have been submitted and audited. This audit opinion improved from a previous disclaimer of Qualified Opinion for 2024 and 2025. The Council rated Effective for timely financial reporting.

Mr. Speaker, Sir, to conclude, climate mitigation, waste management, land acquisition and boundary extension requires sustained coordination between agencies, Government, as well as other agencies. They cannot be addressed alone by the Rakiraki Town Council. The Ministry will continue to support the Council to provide policy oversight, as well as coordinating with other relevant agencies to support the Council to strengthen revenue, as well as other aspects of management.

I wish to also thank the Chairman and the staff of Rakiraki Town Council for all their good work and support towards the administration and governance of Rakiraki Town Council. Thank Mr. Speaker, Sir, for this opportunity and I fully support the motion before the House.

HON. V. LAL.- Mr. Speaker, Sir, before I speak on this Report, I would like to take this opportunity to express my sincere condolences to the family of the late Inosi Kuridrani. It is, indeed,

very sad that we have lost two colleagues in a very short span of time, and I pray to the Lord to grant these two gentlemen eternal peace.

On the Report, Sir, I speak on this Report not just as a Member of this august House, but as someone deeply connected to our agricultural sector and the daily struggles of our rural families. When we examine documents like this, we must not simply glance at the numbers - we must see the lives, the sweat, and the quiet endurance of our people in the province of Ra.

Mr. Speaker, Sir, I will talk on some issues in this Report and the first and the most important one, which I think the honourable Minister has spoken about is in regard to the dumpsite at Naria. I have raised this issue a number of times in this Parliament. The reason being, there is a primary school near the dumpsite and also it is a residential area - people are living nearby. Mostly, we have noticed that when there is a fire at the dumpsite, the classes at the schools get disrupted. Students are not even able to freely move around during lunch hour because of the flies. Also, Sir, I have been told that people do not have the liberty to, in fact, sit freely around in their compounds under the trees to have their food or yaqona, or whatever it is. This is why I am raising this issue.

The honourable Minister has raised this. Initially, in fact, there was a site identified somewhere in Tavua, but then this idea of a regional Western Landfill came up. As alluded to by the honourable Minister, this was endorsed by Cabinet in 2024, yet we are about to finish this term of Parliament, and we are still working on that. The reason I am saying this is the current dumpsite remains vulnerable to groundwater contamination and fire hazards, while the proposed regional landfill remains at the identification stage. I am humbly requesting the honourable Minister for Lands to, please, look into this and see that we get a suitable site for that.

The other issue I would like to raise, Mr. Speaker, Sir, is the implementation of the recommendations of the Standing Committee. The reason I am raising this; I happened to read through the recommendations of the Standing Committee on Social Affairs to a previous report on the Rakiraki Town Council. One of its recommendations is the drainage grant be reinstated. Sir, when the Town Council appeared before the Committee and we asked, this was still not done. We all know that small Councils do not have that kind of funding.

I am humbly requesting that if such grants are reinstated, it is going to help the Council, and we all know Rakiraki is prone to flooding and if the drains are clear, at least, we will have some sort of relief. Mr. Speaker, Sir, I do not know what the process is, but I think there should be some sort of audit on whether the recommendations have been implemented or not and, if not, why were they not implemented. These sorts of things, I think, should be looked into. Otherwise, we will be just giving recommendations and they will pile up, and nothing is going to happen. Year in, year out, we will see the same things happening. For that reason, Sir, I am humbly requesting that we see that the recommendations given by Committees should be implemented.

The other thing I would like to talk about, Mr. Speaker, Sir, which is a concern to me, is the development of the first floor of Rakiraki Market. Rakiraki Market has been built, so thank you so much, but the development of the first floor remains outstanding. In the previous Budget, \$300,000 was allocated for this project. When the Rakiraki Town Council appeared before the Committee in June, we were told that this project had been delayed. The reason given was the fuel crisis. Sir, fuel crisis was in May, and the funds were given in August of last year. They had 10 months to implement that.

When the Council came before the Committee, it said that it could not do it because of the fuel crisis. That is a worry. Why are we delaying when funds were allocated for a certain project? As

I mentioned earlier, Rakiraki is a small place, Mr. Speaker, Sir, it does not have much revenue. If they develop the first floor of the market, they will be able to get Government offices there so that they can increase their revenue and be able to serve the people of Rakiraki better.

However, these projects are being delayed and the reason given is that it is beyond their control. I know that the Council is doing its best and I also note the Council's proactive steps in public health and environment management during this period. The Ministry of Environment's Health Department conducted 106 inspections, leading to 84 vital and 17 improvement orders. Furthermore, their push for waste management through the Reduce, Reuse and Recycle Campaign, including distributing coloured bins to local schools, shows a commitment to our future generations.

However, a resilient market building and clean suites are only part of the equation. Our markets are completely dependent on the farmers who supply them. This brings me to a very present and terrifying reality regarding our climate. Government must prove it is preparing for impending disasters rather than just waiting to react to the consequences when our vulnerable communities are already suffering; our people cannot survive on reactive policies.

Mr. Speaker, Sir, if I may take a step outside of this Report and ask about *El Nino*. I raised this issue in my Budget speech, and I requested that we all should be prepared. Now, it is all over the news that *El Niño* is said to be the worst in a thousand years. Not a single hurricane in the Atlantic, and already we have a super cyclone off the coast of Mexico. What measures has the Government taken or put in place to see this in its inevitability?

Having asked that, Mr. Speaker, Sir, I give my support to the Report and thank you for the time you have granted me.

HON. RATU J.B. NIUDAMU.- Mr. Speaker, Sir, I rise to contribute to the motion before us this morning. First of all, I thank the Chairperson and Members of the Standing Committee for the report on the Rakiraki Town Council.

Rakiraki Town is an important town and a vital centre for the people and communities of Ra. Mr. Speaker, Sir, from a financial perspective, the Report highlights the importance of strengthening the financial sustainability of municipal councils. One of the key issues is revenue collection. As of 31st August, 2026, Municipal Councils had total rates of approximately \$89.1 million. Rakiraki Town Council's rate arrears stood at \$182,179.62.

Mr. Speaker, Sir, Rakiraki has approximately 731 ratepayers. With a relatively small ratepayer base, effective collection of rates is important to the Council's ability to meet its financial obligations and maintain the services it provides to the community.

Mr. Speaker, Sir, Government recognises that Municipal Councils, particularly smaller Councils, may face limitations in their revenue base. This is why the Government continues to provide financial support for essential municipal services and priority infrastructure. However, Government-support must be complemented by sound financial management at the Council level. This includes improving revenue collection, managing expenditure within approved budgets, proper financial reporting and ensuring that available resources are directed towards priority services.

Mr. Speaker, Sir, from the Ministry of Finance's perspective and the Government, accountability for public funds remains important. Funding provided through the National Budget must be properly managed, accounted for and used for its intended purpose. The strengthening of the Financial Management System, including the implementation of the Financial Management

Information System, supports better budgetary control, transaction processing and audit trails. These improvements are important in strengthening financial management across Government, including the support provided to Municipal Councils.

Mr. Speaker, Sir, the financial sustainability of Municipal Councils cannot depend solely on Government funding. Councils also need to strengthen their own revenue source and improve the collection of outstanding rates and other revenues due to them. For Rakiraki Town Council, addressing outstanding rates will be an important part of strengthening its financial position and ensuring that available resources can be used effectively for the benefit of its ratepayers.

Mr. Speaker, Sir, Government will continue to provide support within the resources available while working with the Ministry of Local Government to strengthen the financial management and sustainability of Municipal Councils.

Mr. Speaker, Sir, before I resume my seat, allow me to also thank the progress and services delivered in Rakiraki Town. These are the results of commitment, cooperation and hard work. I, therefore, wish to place on record my sincere appreciation to the Special Administrator, Mr. Peni Naduaniwai, and also the Chief Executive Officer of Rakiraki Town Council, Mr. Sailosi Sawana, and every member of staff of the Rakiraki Town Council for their tireless efforts. I also wish to acknowledge the cooperation of the residents, businesses, community leaders and stakeholders of Rakiraki. The achievements of the Town Council are strengthened when the Council and the community work together with a shared commitment to progress.

Mr. Speaker, Sir, also allow me to convey my condolences on the passing of one of our Special Administrators of Rakiraki Town Council, Mr. Sanmogam Gounder, last month. Mr. Gounder served the people of Ra with commitment and distinction. His contribution as a Special Administrator and his service to the Rakiraki community will be remembered and appreciated.

Mr. Speaker, Sir, I thank the honourable Minister for Local Government. He had elaborated on the Western Division Dumpsite remediation which, I believe, the Government has allocated \$3 million towards that particular project.

I would like the House to know that for the past eight years or 16 years, Rakiraki Town was neglected. Naria rubbish dump was an ongoing issue from the past. Nothing was done. I am really thankful to the current Government, especially to the honourable Minister for Local Government, for the implementation of this Western Division Dumpsite remediation.

My *kai*, honourable Virendra Lal, has mentioned flies and all that. For the past eight years, he was in this House, but nothing was done. I thank the Government for standing up and I hope the people of Ra will hear the message from the Minister for Local Government. We are working towards establishing a Western Division Dumpsite so that the people of Ra and the people of Naria will not be used as a dumpsite for Tavua and Rakiraki. With those few words, Mr. Speaker, Sir, I support the motion before the House.

MR. SPEAKER.- I think I am correct in recognising the two gentlemen who have just entered our Chambers. We welcomed you at Centenary Church yesterday, was that correct? Can you please stand? They are from Norway and they are with the movement of Nuclear Free World. You are most welcome, Sirs.

HON. I.B. SERUIRATU. - Mr. Speaker, Sir, first, I do join the honourable Prime Minister and all Members who have spoken before me to convey our sincere condolences and sorrows to the families of the late honourable Agni Deo Singh and honourable Inosi Kuridrani.

We do join them in these difficult moments, Mr. Speaker, Sir, and we pray that they will remain strong and be comforted through well wishes. May their soul rest in peace, Mr. Speaker, Sir.

I wish to be very brief on the Report that is before us and I do acknowledge the Committee on the work undertaken for the review of the Report that covers quite an extensive period, but we are thankful that this has been brought into the House for our deliberations.

Mr. Speaker, Sir, the findings are quite straightforward and Rakiraki is one of those Municipalities that do find difficulties, particularly, in sustaining its operations, given the limited resources and the constraints that they face, particularly, when it comes to revenue. I always enjoy going to Rakiraki. I remember during my school days at Ratu Kadavulevu School, I usually spend most of the public holidays and school holidays in Nakauvadra Junior Secondary School and the Naria dumpsite is something that I am very familiar with. My then late uncle, Master Joeli Naucubalavu, was the Principal of Nakauvadra Junior Secondary School back then.

The key issues of financial, environmental and institutional constraints is where I want to focus on in my speech this morning. I think that there are some inconsistencies in the figures that we have. I am advised that Rakiraki has 527 ratepayers. The Report shows 522, and I did not hear correctly the number of ratepayers that was alluded to by the honourable Assistant Minister for Justice. The rates is one of the biggest sources of revenue, apart from business licences, and the revenue that they get from the market as well. This is why it is important that we look at the Committee recommendations and hope that the honourable Minister and the administration can take the necessary steps to ensure that the recommendations are implemented without further delay.

When it comes to revenue, despite the honourable Assistant Minister for Justice saying that there was nothing done in the last eight years, the Rakiraki Market was the biggest project that was undertaken in Rakiraki itself. The previous Government built the market. This Government cannot even do the floor upgrade on the first floor to get extra revenue to Rakiraki Town Council. I also recall that the Fire Station was built in the last term of the previous Government. The previous Government did care about Rakiraki. The honourable Assistant Minister was operating his law firm from there, so he should be able to see all these things that happened in Rakiraki Town.

On environmental issues, Mr. Speaker, Sir, again, it is very important, and I just wish to speak on the health hazards, particularly, the Naria Dumpsite and the landfill. We have heard from the honourable Minister today.

On institutional constraints, I note that following the review of the organisational structure, they have increased their staff from 22 to 28. Of course, there are still some constraints identified in the Report, particularly, when it comes to specialised areas such as legal services, waste management and, of course, information technology. The assistance provided by neighbouring Municipalities and, perhaps, other Government entities and non-Government and civil societies will also help the Rakiraki Town Council in addressing these capacities they are lacking so that they become more effective and efficient in the work that they do.

As a former Minister for Disaster Management, I am very familiar with the flooding issues in Rakiraki Town and I am thankful that a JICA study has been undertaken, since Rakiraki, as well as Ba, Nadi and Labasa also face the same issues. I hope that the study will come up with options

that can be considered in order to mitigate the flooding risks that are associated with Rakiraki Town itself.

Mr. Speaker, Sir, there is one issue that I would probably bring into the Report as well. It is about the sports facilities. Although it is not mentioned in the Report, but congratulations to the Ra Rugby Union that defeated Northland. We decided to give our *mataqali* the victory so that they can also be part of the Skipper Competition next year.

There are so many talents out there in rural Fiji, however, Government's responsibility is to create that environment and that environment is through proper facilities. Hopefully, things like gyms, apart from the sports facility itself, will be very helpful in that regard, given there are so many talents in Ra for example, Isireli Bobo and Matawalu. There are so many rugby players who have represented Fiji at national level. We need proper facilities for Rakiraki.

Lastly, Mr. Speaker, Sir, I wish to acknowledge the private sector players, particularly, in small towns like Levuka and Rakiraki. We need players to drive the economic activities within the town itself. Mr. George Shiu Raj was one of the key players in Rakiraki. Ratu Joji, as we all know him, is a big player in Rakiraki and he is creating a lot of employment for our rural people.

The Report also talks about Waimicia. We need to decentralise from Rakiraki to Waimicia and to Namarai where the Government station is located. There are connections when it comes to rural development, Mr. Speaker, Sir, and this is why these centres are so important. Not everything can be done in Lautoka and Ba. We need the smaller towns, like Tavua and Rakiraki. Rakiraki, a step down is Waimicia, like Labasa into Seaqaqa into Nabouwalu, et cetera. This decentralisation is so important as that can help in rejuvenating or reviving the rural economy and, most importantly, given the potentials in Ra which has a lot of potentials, the setting up of Waimicia will be important. However, I wish to acknowledge the private sector players who do help our municipalities in generating economic activities in these very small townships of ours.

HON. P.K. RAVUNAWA.- Mr. Speaker, Sir, before I contribute to the motion, may I add my most sincere and deepest condolences to the family of honourable Agni Deo Singh and honourable Inosi Kuridrani, who are no longer with us this morning. We pray that the family will be comforted with peace and comfort during this difficult time, and I thank them for their contribution in Parliament to nation-building.

Mr. Speaker, Sir, I rise as both the Committee Member and also a Government Member to contribute to the debate on the Consolidated Review Report on the Rakiraki Town Council January to July 2020 and 2021 Annual Reports.

Mr. Speaker, Sir, I wish to focus specifically on one matter that is fundamental to the future of Rakiraki, that is, the Committee's first recommendation on flood mitigation and drainage. For the people of Ra, and Rakiraki especially, drainage is not simply about cleaning a drain, it is about protecting homes and businesses, keeping roads accessible and protecting the public health of the people of the Rakiraki Municipality. Ultimately, it is about protecting the lives and livelihoods of the residents of Rakiraki Town and its vicinity.

Mr. Speaker, Sir, Rakiraki knows the consequences of flooding. Therefore, I welcome the Committee's recommendation concerning the Vaileka Creek Municipal Drainage and Sustainable Funding for Flood Mitigation. I want to place on record that the Government acknowledges the need to desilt Vaileka Creek and strengthen the wider municipal drainage system.

However, Mr. Speaker, Sir, we must move beyond looking at individual drains in isolation. The fundamental challenge is that responsibility for drainage and waterways is shared across different authorities, like Rakiraki Town Council, the Fiji Road Authority, the Ministry of Waterways and other relevant agencies. Water does not recognise institutional boundaries. When flooding occurs, the people of Rakiraki are not concerned about which agency owns which drain. They expect Government and its agencies to work together, and that is why the Government's approach of stronger coordination is important.

There must be a joint assessment of priority drainage works - identifying the needs to be done, which agency is responsible, the indicative cost, the funding source and the timeframe for its implementation. That approach provides accountability about who will be responsible, what needs to be done, how much will it cost and when will it be delivered. These are practical questions our people expect us to answer.

We also now have an opportunity to make our intervention increasingly evidence-based rather than being reactive. The work undertaken by the JICA Disaster Risk Reduction Programme, as already alluded to by the previous speakers, provided an important technical foundation. JICA assessment found that parts of Rakiraki's new urban area are within a flood inundation zone and that some roads are exposed to flooding in ways that can disrupt access to important facilities.

The planning process, therefore, concentrated particularly on flood hazards and identifying priority disaster risk reduction measures. This is significant. It means that we have increasingly sophisticated information that tells us where the risk is, what infrastructure is exposed and where intervention should be prioritised. Government, therefore, supports incorporating this flood inundation and hazard analysis into municipal planning, development control, drainage planning and future infrastructure investment.

Mr. Speaker, Sir, this is exactly the direction that the Coalition Government must take. We should not wait for the next flood before we act. Every dollar invested in appropriate drainage, desilting, and flood mitigation should be viewed in a wider context for protecting public infrastructure, businesses, households and essential services.

As Assistant Minister for Health, I also want to emphasise the public health dimension. Poor drainage and prolonged stagnant water can create conditions favourable for mosquito breeding and increased sanitation and environmental health risks so when we improve drainage, we are not only improving infrastructure, but we are also strengthening preventative public health.

Mr. Speaker, Sir, Rakiraki is also an important commercial and agricultural centre for the wider Ra Province. Flooding interrupts road and access to the Town, consequences extended beyond the municipal boundaries to farmers bringing their produce to the market, to the workers travelling to work, businesses receiving supplies and families accessing essential services from Town. That is why this cannot be treated simply as a municipal maintenance issue - it is an economic and climate resilience issue, it is a public health issue, and it is a community safety issue.

Mr. Speaker, Sir, Government acknowledges that more remains to be done. The response must, therefore, be practical; desilt the Vaileka Creek, strengthen municipal drainage, clarify agencies' responsibilities, establish sustainable funding and use the JICA hazard information to prioritise investment according to risk. Most importantly, implementation must be measurable. The people of Rakiraki should be able to see the difference, not merely in reports and plans, but in drains that flow, waterways that are maintained, roads that remain accessible and communities that are better protected when the rain comes. That is the standard of delivery we must continue to pursue.

Mr. Speaker, Sir, this Report gives us an opportunity not simply to discuss what has happened, but to strengthen how we prepare for what lies ahead of us - from reactive maintenance to preventative investment, from fragmented responsibility to coordinated delivery and from flood vulnerability towards a more resilient Rakiraki Town.

On that note, Mr. Speaker, Sir, I support the recommendation concerning flood mitigation and the whole Report that is before the House this morning.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, I just want to thank all honourable Members for contributing to the debate this afternoon, and I also wish to, on behalf of my Committee, thank the Rakiraki Town Council. We also remember the late Rakiraki Town Council Administrator, Mr. Gounder, and the Committee sends his family our deepest condolences.

MR. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

REVIEW REPORT – FIJI FINANCIAL INTELLIGENCE UNIT 2024 ANNUAL REPORT

HON. S. TUBUNA.- Mr. Speaker, Sir, I move:

That Parliament debates the Review Report on the Fiji Financial Intelligence Unit 2024 Annual Report, which was tabled on 19th August, 2026.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I second the motion.

HON. S. TUBUNA.- Mr. Speaker, Sir, before I speak, I would also like to offer my sincere condolences to the family of the late honourable Inosi Kuridrani. The late honourable Kuridrani was committed to his call. Of course, as a representative of the people, he continued to serve his people until his untimely departure. We pray that his soul rests in peace and rests in glory.

Mr. Speaker, Sir, the Standing Committee on Economic Affairs undertook a detailed review of the Fiji Financial Intelligence Unit 2024 Annual Report, which assessed the effectiveness, accountability and performance of one of Fiji's most important institutions responsible for protecting the integrity of the nation's financial system. Through the review process, the Committee examined the FFIU's intelligence, supervisory and regulatory functions, together with its contributions to combating money laundering, terrorism financing, tax crimes, fraud, corruption and other serious financial offences.

The Committee acknowledges the important role played by the FFIU in safeguarding Fiji's financial systems and supporting national efforts to combat financial crime. During 2024, the Unit managed a database of approximately 87 million financial transactions, received \$6.14 million transaction reports, analysed 304 suspicious transaction reports, and disseminated 287 intelligence products to law enforcement agencies and Government stakeholders.

The Committee also notes that authorised officers from partner agencies extracted 1,334 financial data reports from the FFIU database to support ongoing investigations and intelligence activities. The Committee further recognises the progress made by FFIU in strengthening technological capacities, including the utilisation of the Type-N system, early monitoring system, and case management system, as well as its efforts to enhance information-sharing arrangements

with domestic and international partners.

The United Nations ongoing coordination with Fiji in this recent assessment and the preparation for the 2026 Asia Pacific Group Mutual Evaluation demonstrates its commitment to maintaining Fiji's compliance with international anti-money laundering and counter-financing terrorism standards. Withstanding these achievements, the Committee identified several matters that require continued attention. The key concern was a gap between intelligence generated by FFIU and the outcomes achieved through investigations, prosecutions, convictions and asset recovery. While 237 intelligence products were disseminated during 2024, the Committee found limited information on the enforcement outcomes resulting from those referrals.

The Committee considers that strong feedback mechanisms and closer coordination between FFIU and recipient agencies are essential to ensuring that intelligence products effectively contribute to enforcement actions and deterrence. The Committee also examines concerns raised regarding the quality, timeliness, and operational usefulness of certain intelligence products provided to law enforcement agencies.

Evidence received during the inquiry indicated that additional investigative work was often required before intelligence reports could effectively support enforcement decisions. The Committee, therefore, considers that continued improvements in intelligence development, analytical capability and interagency collaboration will be critical to enhancing the effectiveness of Fiji's financial crime framework.

Particular attention was also drawn to the significant exposure of Fiji's financial system to tax-related offences. The Committee notes that tax crimes accounted for approximately 86 percent of the total transaction value associated with disseminated intelligence cases during 2024, highlighting the substantial risk posed to national revenue collection, fiscal sustainability and public confidence.

The increasing complexity of financial crime further reinforces the need for coordinated action amongst FFIU, Fiji Revenue and Customs Service, Fiji Police Force, Fiji Independent Commission Against Corruption, the Reserve Bank of Fiji, and other relevant stakeholders. Another important observation arising from the review was the absence of annual performance targets, measurable indicators, and clearly articulated benchmarks within the Annual Reports.

While the Report provides extensive information regarding activities undertaken during the year, the Committee considers that future reporting should place great emphasis on measurable outcomes and strategic performance indicators to enable Parliament and the public to more effectively assess organisational performance, effectiveness and value for money.

Overall, the Committee acknowledges the available contributions of FFIU to maintain financial integrity, transparency and accountability within Fiji's financial system. The Committee is of the view that the strengthening of intelligence capacities, regulatory oversight, technological innovation, performance measurement and interagency cooperation will be essential to addressing emerging financial crime risks and supporting Fiji's continued compliance with international standards.

The Committee trusts that the observations and recommendations contained in this Review Report will contribute to the ongoing enhancement of the Unit's effectiveness and the protection of Fiji's financial systems.

I take this opportunity to acknowledge the contribution of the honourable Members of the Standing Committee on Economic Affairs and Alternate Members, Officials of the FFIU and stakeholders who participated in the inquiry process and the Committee Secretariat for their commitment and diligence throughout the Review. I thank you Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Members, given the hour, we will open the debate on the motion after our lunch break. However, before that, I would like to recognise the Fijian, now a Norwegian, who is with his Norwegian colleagues in the gallery and he is Eroni Qiolevu from Kaba, Bau, Tailevu.

I knew him from London. I think, Sir, I used to ask for whale's tooth from Norway should you find any spare one on your dock. You are most welcome, along with your colleagues, of course, who I have introduced to the honourable Members of Parliament.

With that, honourable Members, we will suspend our proceedings for lunch. Parliament will resume at 2.30 p.m.

The Parliament adjourned at 12.31 p.m.

The Parliament resumed 2.36 p.m.

MR. SPEAKER.- Honourable Members, the Chairman of the Standing Committee on Economic Affairs had already introduced his motion on the Review Report of Fiji Financial Intelligence Unit Annual Report of 2024. He has already spoken on the motion, and it is now open to the floor for the debate on the motion. I have a list of speakers.

HON. S.T. KOROILAVESAU.– Mr. Speaker, Sir, thank you for giving me the opportunity to contribute to the motion before Parliament.

Mr. Speaker, Sir, before I deal with the main subject, I would like to join the other Members of Parliament who have conveyed their condolences to the late honourable Kuridrani. I wanted to share my condolences as part of the Lelean Students' Association and I am representing the four Members of Parliament but now, there is only three of us - honourable Ditoka, honourable Usamate, and myself.

I thought I should share a light moment on our trip to China where honourable Rakuita was the head of our delegation. Honourable Kuridrani realised he was not able to physically move around. So, on transit, we could not arrange a wheelchair for him to be comfortably moved around in transit at the airports. I basically said, “OB, don't worry. I'll commandeer any wheelchair that will appear before us as we disembark from the plane”, so we did it. However, the funny side of it, Mr. Speaker, Sir, I was actually using that as an excuse. I was also limping with my left knee and that provided me the support during transit.

Mr. Speaker, Sir, the Chairman of the Standing Committee on Economic Affairs has alluded to the various points that have been raised as points to be taken on the Consolidated Review Report on the Financial Intelligence Unit 2024 Annual Report.

One of the important aspects that I learned being a Member of the Committee is the relationship between the FIU at the Reserve Bank of Fiji. I think it is important that I highlight this in this term so that we understand. I thank the Governor of the RBF and Senior Management, as well as the Management of FFIU based at the RBF.

I just found out that the Government is not actually funding the operations of the FIU - it is being totally funded by RBF, and they basically work under the auspices of the RBF in making sure that all intelligence messages and actions being carried out at national and international level are being monitored. I then realised that they have carried out quite an extensive exercise in trying to monitor financial transactions within Fiji and also with overseas countries.

One of the important things that was also highlighted in the Report, Mr. Speaker, is the work with relevant agencies and this is with the Fiji Police Force (FPF) and Fiji Revenue and Customs Service. There is a huge pool of information that exists between the three agencies, and I think the FIU will perform better if the information that transect between these agencies are clearly monitored.

I understand that there are representatives being put in by FRCS and also the FPF but the issue that I found out was that the representative who was actually posted to RBF as part of FIU became a collector of intelligence and that seems to create some gap in the information that is available.

In that, Mr. Speaker, I feel that Officials who are being appointed by these two agencies should really be independent so that coordination and information between FIU and the two agencies are free. When they are posted to FIU at the RBF, they basically become intelligence gatherers. So, I thought that I highlight to our Chairman and the Members of our Committee that we need to

somehow massage this, that they become independent workers so that they can report back to the FPF and FRCS more freely. I can see the honourable Minister of Finance nodding, and I think he understands this.

Without this freedom of them actually prioritising the cases within the FIU and correspondingly reporting back to the two agencies, they will achieve much better, instead of being posted there as another arm of their intelligence personnel.

I must thank the Governor of RBF and Senior Management. They have provided and contributed a lot into the effective work that is carried out by the FIU Team. In the discussions that we had with the FPF and also with FRCS, they have highlighted the various issues that this Unit has been able to bridge during their work in trying to identify the various issues with regard to financial intelligence.

I thank the Committee and the Chairman of the Committee that we were able to scrutinise this Report in quite detail. We also called the two agencies if they could come and meet us so that we can identify the gaps that exist and suggest to them how they can perform that. I support the motion before the House.

HON. R.R. SHARMA.- Mr. Speaker, before I contribute to the motion before the House, I would like to pay tribute to two of our colleagues who are no longer with us. Just this week-end, my mother sent me a message and said, "Please, get enough sleep. I know you are not sleeping well." Due to the late nights, the long hours of work and research, it does get to us, and it is a reminder, Sir, that you never know when is the final goodbye. It is quite difficult not to see our colleagues along with us here.

I would like to contribute to the Fiji Financial Intelligence Unit 2024 Annual Report. I would like to start by saying that money is the oxygen of organised crimes. Cut off the money and the drug lord suffocates - let the money flow and the number of police raids will never be enough. This is why the Financial Transactions Reporting Act 2004 matters, and that is also why this Report should alarm every member of this House.

Fiji is no longer a quiet island on the edge of a global drug trade; we are in the middle of it. Sir, if I go back, in 2024, authorities seized 4.8 tonnes of methamphetamine linked to Mexican cartels. In January this year, 2.6 tonnes of cocaine were found in Vatia, Tavua, and the largest cocaine seizure in our history.

The United Nations Office on Drugs and Crimes has named Nadi as a primary transit point in the Pacific. Drug arrest cases have tripled in 2023 and UNAIDS says that Fiji has one of the largest growing HIV epidemics in the world.

Tonnes of drugs means millions of dollars and those millions are washed through bank accounts, businesses, vehicles, land and property, right here in Fiji. The question I put before this House is simple, Mr. Speaker, is our financial intelligence system strong enough to follow that money?

The Committee's findings have its own views. In 2024, the Unit received 559 suspicious transaction reports, yet analysed only 304, which leaves 255 red flags, almost half sitting in the queue while criminals move on. Intelligence products sent to the law enforcement fell to 237 in 2024, down from 429 the year before. Sir, in the middle of the worst drug trade, our financial intelligence system output is nearly halved.

The Committee also found that there is no systematic feedback on what happens to the intelligence. We cannot tell this House how many investigations began, how many prosecutions were filed, how many convictions were secured, and how many dollars of criminal assets were recovered. The Fiji Police Force told the Committee that the quality of the intelligence was very poor. They needed extra work before the decision could be made, and there was no central focal point in the Police to report outcomes to.

On supervision, Sir, lawyers and real estate agents are recognised as high-risk sectors for laundering. There are 47 registered legal practitioners and 33 registered legal real estate agents under the framework. In 2024, the FIU conducted on-site examinations of one lawyer and four real estate agents. The FIU has the power to impose administrative monetary penalties, yet the Annual Report does not show that this power has ever been used.

There are no performance targets and no key performance indicators as well. Sir, tax crimes make up 86 percent of the value of the disseminated cases. Scams made up to 38 percent of the cases. Every dollar of tax evaded is a dollar taken from our hospitals, schools and our roads. Every scam is a family in Fiji robbed of its savings.

Mr. Speaker, the Government hosted the Pacific Transnational Crime Summit this year. Good speeches, fine photographs, but summits do not seize assets. While the Minister was hosting, 255 suspicious reports set unanalysed. Just because a criticism without solution is just noise, so let me offer a plan, a monitor and to control money across the full spectrum.

Mr. Speaker, what I recommend is to:

- (1) Bring a Financial Transactions Reporting (Amendment) Bill to this House within six months, or probably after the next election. It must cover virtual assets and crypto exchanges, money, mobile, digital wallets, gold and precious gold dealers, motor vehicle dealers and high value traders. It must create a beneficial ownership register, raise penalties to real deterrent levels and require every receiving agency to report back to the Unit on the outcome of each referral within 90 days.
- (2) Fund the Unit properly, at least, double its analytics to clear the backlogs of suspicious transactional reports within 12 months.
- (3) Strengthen the National Intelligence Bureau, which is within the Fiji Police Force, with FICAC, Director of Public Prosecutions, and with one police focal point and a shared case system.
- (4) Follow the money to its end, use the Proceeds of Crimes Act aggressively, introduce unexplained wealth orders and put every recovered dollar back to drug rehabilitation, HIV response and frontline policing.
- (5) Supervise the gatekeepers, every high-risk lawyer, accountant, real estate agent should face an on-site examination, at least, once every three years and administrative penalties must actually be used.
- (6) Secure borders, strengthen cash declaration at airports and ports, and put scanning and surveillance at marinas and remote jetties where yachts transfer cargo at the sea.

Mr. Speaker, the law exists, intelligence exists and, apparently, the FIU has two reporting lines; one is the Ministry for Justice, and the other one is based under RBF. However, this falls under the web of transnational crimes but, again, when you look at the National Intelligence Bureau under the Fiji Police Force now - Head 20, Activity 3, we see a reduced budget from the last three years. I would say in 2023, it was \$2.9 million; 2024, it was \$2.5 million; and last year, it was \$2.4 million.

When transnational crimes are increasing, we see that their funding has been reduced. Mr. Speaker, Government should ensure that it is not just about hosting events but ensuring that they have their priorities aligned and ensure that they fund the National Intelligence Bureau under the Fiji Police Force, that will help and work better with the FIU to combat these transnational crimes. On that, Mr. Speaker, I support the recommendations by the Committee.

HON. RO F.Q. TUISAWAU.- Mr. Speaker, Sir, I firstly take this moment to remember our close friend and colleague, honourable Kuridrani, and expressing my sincere condolences to his family and the *Vanua o Vusu*. May he rest in peace.

Sir, I rise to acknowledge and commend the work of the Standing Committee on Economic Affairs in its review of the Fiji Financial Intelligence Unit Annual Report 2024 for the recommendations aimed at strengthening the FIU's operations, coordination, supervision and performance reporting. I support these recommendations and acknowledge FIU's efforts in responding to them.

Mr. Speaker, Sir, from the overall supervising Ministry's perspective, the Ministry of Finance, the work of the FIU is important in not only addressing financial crime but also in supporting the integrity, stability and resilience of our economy. Financial crime can have wider economic consequences through revenue leakages, undermining legitimate businesses and weakening confidence in our financial system. Strong financial intelligence and effective cooperation among Government agencies are, therefore, important components of sound economic governance.

The Committee's recommendations on inter-agency collaboration and feedback are particularly important. Financial intelligence is most effective, and it supports timely action by law enforcement and revenue agencies. The FIU's work with the Fiji Police Force to pilot a formal feedback mechanism is a positive step towards ensuring that intelligence provided is relevant to operational needs and that lessons from investigations can strengthen future intelligence work.

Mr. Speaker, Sir, I also welcome the Committee's focus on risk-based supervision and the periodic review of legislative and operational framework. As financial activities and financial crime risks evolve, our regulatory and supervisory arrangements must keep pace.

The FIU's efforts to strengthen supervision of high-risk sectors, including on-site examinations within its capacity, and strengthen its technical and analytical capabilities are important. Similarly, Fiji must continue to ensure that our anti-money laundering and counter-financing of terrorism framework remains responsive to emerging risks and aligned with international standards. The ongoing assessment by the Asia-Pacific Group on Money Laundering will provide an important opportunity to identify gaps and further strengthen our framework.

Mr. Speaker, Sir, I also note positively the FIU's efforts to improve its intelligence development and dissemination processes, strengthen the skills of its analysts, and make greater use of technology and financial data. The completion of Fiji's National Risk Assessment in 2025 is particularly significant, as it provides an evidence base to better understand financial crime risks, guide intelligence priorities, and allocate resources effectively, while supporting the protection of public resources, revenue mobilisation, transparency, and accountability across Government.

Mr. Speaker, Sir, I also welcome the FIU's commitment to strengthen performance reporting through its Strategic Plan 2025-2029 and annual work plans. Clear performance indicators and transparent reporting will help demonstrate progress and strengthen institutional accountability.

Ultimately, Mr. Speaker, Sir, the work of the FIU extends beyond financial crime. It contributes to protecting Government revenue, supporting legitimate businesses, strengthening confidence in our financial system, and creating an environment that supports sustainable economic activity and investment.

Mr. Speaker, Sir, I commend the Standing Committee on Economic Affairs for its diligent oversight and constructive recommendations and acknowledging the FIU for its continued efforts to strengthen Fiji's financial intelligence framework. The Government remains committed to supporting these efforts and to strengthening the system's capacity and collaboration necessary to safeguard the integrity of our financial system, as far as international standards and compliance are concerned. Mr. Speaker, Sir, I commend the Report and the motion on the FIU.

HON. F.S. KOYA.- Mr. Speaker, Sir, just like the others who have spoken before me, I offer my sincere condolences to the Kuridrani family with respect to the untimely demise of the late honourable Kuridrani. May his soul rest in peace.

Mr. Speaker, Sir, with respect to the Report that is before us, I think, right at the outset, it should be said that it is a very good Report that is actually presented to us by the Committee, and the findings are quite succinct, clear, and very much about today.

One of the things that struck me when I read it was the issue that was created by the Fiji Police Force with respect to the actual institution and the inability to provide proper reports, so that they did not have to go out and do further work themselves. I think it really calls out to the fact that maybe, we also need to look at some of the legislation surrounding that particular area. We also need to look at the fact that there may be some more funding that is required, especially in today's world and in today's digital world, with all that goes on.

It is no longer just about financial reporting. You have trading that goes on with respect to Bitcoin, et cetera, and the areas that are covered in this are quite extensive with respect to the illegal part of today's economic world. There is a lot of training that needs to go on. There is a lot of capacity building that will have to happen at FIU, and I am not sure if the sole funding from the Reserve Bank of Fiji is enough.

It is a statutory organisation, that is, at the moment, totally funded by the RBF. They probably do their best. However, these reports produced by the FIU are very crucial to our development to ensuring that we have the necessary and right laws in place to ensure that this institution is able to do its job freely, independently, and provide the right information for our security as a nation, and for it to be able to provide to the Police Force the kind of reporting that is required - transnational crimes, drug issues, et cetera. It is very important that this institution forms an integral part of it.

There are some findings that the Committee came up with in respect to the outstanding analysis of suspicious transactions and the exposure to tax crimes, and the limited onsite compliance examinations. The Committee said that there were 74 registered legal practitioners and 33 real estate agents who were kept under the anti-money laundering framework. This raised the concern for the Committee as to whether the level of onsite supervision undertaken is sufficient to effectively assess compliance, and the continued compliance breaches by institutions, et cetera, with respect to regulatory non-compliance by reporting entities during that particular period. These things are very important to the whole structure that exists within the FIU. There is a recurring non-compliance, and this continues to persist within the sectors. It is a critical thing that that is part of safeguarding our financial system.

Mr. Speaker, Sir, some of the things that was also raised by the Committee and are quite important, I think we need to take heed with respect to what has been given to us by the Committee. The fact that the FFIU Report does not provide an annual performance target, key performance indicators or measurable benchmarks against the accomplishments – against what the Unit has achieved. While the Report outlines these activities and accomplishments during that year, the absence of these predetermined targets limits Parliament's ability to evaluate the factual performance of the FIU.

I think the recommendations that have come out from the Committee are good. They have done a thorough job with respect to strengthening the enforcement collaboration and increasing the risk-based supervision. There are quite a few institutions that are involved in this – lawyers, real estate agents, et cetera, and even banks.

One of the most important things that need to be at the forefront is the need for periodic legislative and operational review to align ourselves with international best practices. It is in an ever-changing fast world, and we need to be on top of it with respect to our jurisdiction, in light of the fact that we have a lot happening in our criminal world in Fiji, which we do not want on our shores.

One of the other things, and it is a common complaint with respect to institutions such as this is the interagency feedback framework that exists. We always find a problem with respect to our institutions. They become little castles of their own, so establishing a formal interagency framework is a really important mechanism for FIU to operate under.

One of the last things which is very important and the Committee recommended that we review our intelligence development processes. As I say that, with respect to what is happening around the world, that is a very important target that we should reach, an important thing that we actually should put at the forefront of any new legislative reform that actually happens. Just in a nutshell, that is my thought on it, and I support the report that is before the House.

HON. S.D. TURAGA.- Mr. Speaker, Sir, I join our colleagues, the honourable Members of Parliament, in expressing our condolences, first of all, to honourable Agni Deo Singh and honourable Inosi Kuridrani. May they rest in peace.

The Standing Committee on Economic Affairs has presented a balanced Report that recognises the important work of the Fiji Financial Intelligence Unit as per their 2024 Annual Report, also identifying practical opportunities for further improvement.

Government supports the recommendation of the Committee as they are consistent with the findings of the September 2026 Fiji Mutual Evaluation Exit Report, dated 17th September, 2026, and will strengthen Fiji's anti money laundering and counter-financing of terrorism framework.

Recommendation 1 - Strengthen Enforcement Collaboration

The recommendation is the strength of collaboration enforcement. The Committee recommends greater intelligence sharing and stronger coordination between FIU, FIRCS, Fiji Police, FICAC and DPP.

It further recommends better monitoring, investigation, prosecution, tax recoveries and asset recoveries, flowing from FIU intelligence products. The Government supports these recommendations.

The Mutual Evaluation recognizes Fiji's strong cooperation mechanism but also recommended more systematic monitoring of intelligence outcome and implementation of

national AML and CFT priorities. Stronger collaboration will ensure intelligence results in tangible enforcement outcomes.

Honourable Rinesh Sharma made a comment about hosting workshops and delivering. Sir, if he is on this side of the House, he is going to recognise the importance of hosting this workshop, but the issue is that most of these organisations were compromised. They work in silos. They were not given resources. Similar to the first Report - the Consolidated Review Report on Food Processors (Fiji) Pte Limited, there was a lack of monitoring.

Last Friday, Mr. Speaker, Sir, the honourable Minister for Policing, together with the Chargé d’Affaires of the United States, officially launch the Fiji’s National Counter-Terrorism Strategy, which was lacking all these years. We must have this Strategy. This week, the honourable Minister for Policing will present the anti-narcotics. These are important frameworks that can enable FIU to work effectively.

Mr. Speaker, Sir, you may be aware that we used to have a Fiji intelligence service. There is no mechanism in the last 18 years. This Government is committed to ensure but working in tandem with other relevant Ministry of Defense in terms of coming up with a framework, with resources, with the right direction, and we expect FIU to be productive in terms of using that and in terms of up to the police and for prosecution and hopefully their successful prosecution.

Recommendation 2 - Increase Risk-Based Supervision

Mr. Speaker, Sir, the Committee recommends increased supervision and onsite examination on high-risk sectors, particularly, legal practitioners, real estate agents. This is something that is becoming peculiar. Loads of money have been found in the lawyers’ trust fund and with the real estate. I can assure this House that FFIU is on top of this. The Government supports the recommendation and supports the additional resources that would allow more extensive supervision on the higher risk sectors.

Recommendation 3 – Periodic Legislative and Operational Review

Mr. Speaker, Sir, the Committee recommends regular review of Fiji's AML/CFT legislation and operational frameworks to ensure they remain aligned with evolving international standards and emerging financial crime risks.

Government fully supports this recommendation and has begun a legislative and regulatory review, including the beneficial ownership transparency that has been passed. Now, we can actually go and see who are the real owners behind a company. Before that change, it was never done. It was a very simple change but never done for the last 18 years or so. That just goes to show the commitment of the Coalition Government.

Recommendation 4 – Formal Inter-Agency Feedback Framework

The Committee recommends establishment of a formal framework for agencies to provide feedback on investigation, prosecution, conviction and asset recoveries arising from FIU intelligence reports. I agree with the Committee, I actually called the Director FIU to have a session in my office because we are all concerned. We want that intelligence to be used effectively and efficiently.

Recommendation 5 - Review of Intelligent Development Processes

Mr. Speaker, Sir, the Committee recommends review of intelligence development and dissemination process and strengthening specialist analytical capability through recruitment and training of suitably qualified officers. The Government supports this recommendation

and will support the FIU in identifying opportunities to strengthen analytical tools, specialist staffing, technology and intelligence capability.

Recommendation 6 - Annual Performance Targets and KPIs.

The Committee recommends that future Annual Reports include clear performance targets, performance indicators and measurable outcomes. These are work in progress, not only for FFIU, but for most of the State entities.

Mr. Speaker, since 2024, the FIU has reviewed and revised its internal processes to strengthen the quality of financial intelligence provided to law enforcement agencies. The FFIU is also making use of specialised intelligence training opportunities to strengthen the skills of its analysts.

As part of its Strategic Plan, the FIU is strengthening the use of technology to better analyse financial data and generate meaningful intelligence. The findings of the National Risk Assessment, completed in 2025, are also helping the FFIU to focus its resources on the principal criminal threats and activities driving money laundering in Fiji.

The FIU's Strategic Plan 2025-2029 sets out strategic objectives while the annual workplans identify the key performance indicators and targets. The FIU, Mr. Speaker, has noted the Committee's recommendations and will work better to reflect its performance against these targets in future Annual Reports.

In conclusion, Mr. Speaker, Sir, the Committee recommendations are practical, forward-looking and largely consistent with the findings of the September 2026 Mutual Evaluation. They build on the significant progress already achieved by Fiji, strengthening its AML and CFT regime, and provide a clear pathway for further improvement.

Government, therefore, supports the recommendations of the Standing Committee on Economic Affairs and will continue to work with FIU and its partner agencies to strengthen intelligence capabilities, increase supervision, improve accountability, and ensure Fiji maintains a robust, effective and internationally compliant AML-CFT Framework that protects our economy, our institutions, and our people. I hereby endorse the recommendations of the Committee.

MR. SPEAKER.- I will now call on the Chairman of the Standing Committee on Economic Affairs to speak in reply.

HON. S. TUBUNA. - Mr. Speaker, Sir, honourable Members have raised quite a lot of significant issues relating to the Report. One of the things that we found in the Committee was that when we were trying to achieve the efforts that are being undertaken which is not leading to that national outcome that we are trying to reach, we have found that there are some gaps along the line.

Honourable Koroilavesau mentioned capacity within some of the Government Departments. That has to be improved. Honourable Rinesh raised some important points there with another new Bill, I think, which is quite important and, perhaps, can be taken up by the Minister. Honourable Koya raised an important point on the capacity within all the Government agencies and intelligence.

I thought that we are quite advanced in this field, but we still find that when FFIU produced the 237 reports, those reports were not leading to the outcome that we are trying to attain, but there are some gaps there that need to be strengthened. Of course, Mr. Speaker, the interconnectedness between the various issues here, when you talk about money laundering, money coming into the country when it is not being spotted, it goes out into various agencies, of course, maybe some people who are involved in

drugs, and this leads to other social issues that we are facing. Of course, one of the problems that we are facing now is HIV/AIDS.

The increasing occurrence of HIV in the country where one in 60 people in this country have AIDS, and I think this is leading to some of the issues that we are facing. Of course, it requires quite a lot of attention and, perhaps, honourable Ministers should be looking at intensively reviewing this organisation.

I would like to thank all the honourable Members who have contributed on the Report, and I do support the motion before the House. Thank you, Mr. Speaker.

MR. SPEAKER.- I thank the Chairman of the Committee. Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

REVIEW REPORT ON THE FIJI REVENUE AND CUSTOMS SERVICE 2024-2025 ANNUAL REPORT

HON. S. TUBUNA.- Mr. Speaker, Sir, I move:

That Parliament debates the Review Report on the Fiji Revenue and Customs Service 2024-2025 Annual Report which was tabled on 19th August 2026.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I second the motion.

HON. S. TUBUNA.- Mr. Speaker, Sir, the review of the of Fiji Revenue and Customs Service 2024-2025 Annual Report provided the Standing Committee with an opportunity to examine one of the countries most important public institutions which is responsible for revenue collection, trade facilitation and border administration. Through its scrutiny, the Committee sought not only to assess the achievements of Fiji Revenue and Customs Service (FRCS), but also to identify areas where improvements are necessary to strengthen accountability, transparency and public confidence.

The Committee acknowledges the significant contribution of FRCS to Fiji's economy during the 2024-2025 financial year. The Service achieved record revenue collections of approximately \$3.48 billion, surpassing its annual target and demonstrating the resilience of Fiji's revenue administration system. Revenue performance was driven primarily by Value Added Tax collections of approximately \$1.54 billion, income tax collection of approximately \$1.07 billion and customs taxes of approximately \$592.6 million. These revenues continue to provide the financial foundation upon which Government delivers essential services and national development programmes.

The Committee further notes the progress made by FRCS in advancing digital transformation initiatives, strengthening taxpayer engagement, enhancing compliance activities and expanding cooperation with regional and international partners. These efforts demonstrate a commitment to modernising service delivery and improving operational effectiveness in an increasingly complex economic environment. At the same time, the Committee's review highlighted several matters that require continued attention. Of particular concern were the significant growth in outstanding tax refund liabilities to approximately \$639.9 million, the concentration of revenue among a relatively small number of major taxpayers, and the substantial increase in penalty waivers and write-offs amounting to approximately \$184.6 million during the review period. The Committee considers these

issues important not only from a financial management perspective but also in maintaining public trust in the fairness and integrity of Fiji's tax system.

The Committee also identified the need for stronger reporting on tax crime investigations, border enforcement outcomes, customer service performance and the implementation of compliance measures. As public expectations of accountability continue to grow, transparent and outcome-based reporting will be essential in enabling Parliament and the people of Fiji to assess the effectiveness of FRCS operations and investment decisions.

Overall, the Committee found that FRCS continues to perform a critical role in supporting Fiji's fiscal sustainability and economic development. However, sustained effort will only be required to address the challenges identified in this Report and to ensure that future improvements in revenue performance are met by equally strong standards of governance, transparency and service delivery.

The Committee trusts that the observations and recommendations contained in this Report will assist FRCS in strengthening its institutional performance and enhancing public confidence in Fiji's revenue administration framework.

I take this opportunity to thank the Members of the Standing Committee on Economic Affairs and the Alternate Members, officials of the Fiji Revenue and Customs Service and the Committee Secretariat for their contributions throughout the review process. Their commitment and diligence have been instrumental in ensuring the thorough examination of the matters contained in this Report.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. I have a list of speakers with me and as usual, at the end of the debate, we will have the Right of Reply from the mover.

HON. P.D. KUMAR.- Mr. Speaker sir, I rise to contribute to the debate on Fiji Revenue and Customs Service, particularly the Committee's recommendations on improving annual reporting and reporting on the outcomes of intelligence provided by the Fiji Financial Intelligence Unit. We have already debated that Report and there is no linkage with FRCS, so I would like to speak on that particular matter.

At the outset, I want to acknowledge the important role of FRCS as one of the most critical institutions in our public sector. It collects taxes and duties that finance Government, facilitates legitimate trade and protect our borders. Without an effective revenue authority, Government cannot deliver its programme.

When FRCS performs well, it deserves recognition. The figures demonstrate strong performance. In 2024-2025, as we have heard from the Chairman, FRCS collected a historic \$3.48 billion in net revenue. Now, these are significant achievements as they reflect the efforts of the Chief Executive Officer and staff of FRCS, and I commend them for this work. However, Mr. Speaker, Sir, strong revenue collection must be matched by strong accountability. That is why I support the Committee's recommendation that future annual reports should provide key performance against the set targets.

Mr. Speaker, Sir, an annual report should tell Parliament more than how much revenue was collected. It should tell us what the targets were, what was achieved, what was not achieved, and why, which parliamentary recommendations were implemented, and what measurable improvements resulted. That is the difference between reporting activity and reporting performance.

Mr. Speaker, Sir, I also support the Committee's recommendation for a dedicated section in future annual reports on the outcomes of intelligence reports submitted by FIU. I recognise that sensitive intelligence and ongoing investigations must be protected. However, where legally and operationally appropriate, Parliament should be given meaningful information about what happens after intelligence is submitted.

At a time when Fiji and the wider region face risks from money laundering, organised crimes, and illicit financial flows, Parliament needs to know whether financial intelligence is translating into investigations, enforcement and revenue recovery. Mr. Speaker, Sir, the Committee's recommendation is, therefore, not about exposing sensitive information, rather it is about ensuring that Parliament can assess whether the system is producing results.

Another area requiring attention is the significant increase in penalties written off. Mr. Speaker, Sir, in 2024-2025, \$184.56 million in penalties were written off, an increase of 68.5 percent from the previous year. Over three months, the Committee noted approximately \$24.8 million in cash recovered against \$92.1 million in waivers - a ratio of roughly 3.7:1 in favours of waivers. This raises an important question on fairness. The honest taxpayer, whether a market vendor, small business owner, or employee paying PAYE is expected to meet their obligations on time. They are entitled to ask why some taxpayers receive substantial relief from penalties while compliant taxpayers carry on the full burden of the law.

Mr. Speaker, Sir, I am not suggesting that every waiver is unjustified. There may be legitimate circumstances where penalties should be reviewed or waived, but where substantial amounts are being waived, the process must be transparent, consistently applied, and properly governed. Otherwise, we risk creating a perception that compliance is optional for some. That can undermine voluntary compliance and public confidence in the tax system.

Mr. Speaker, Sir, the Committee has also raised concerns about the VAT refunds backlog and the lack of a clear timeframe for clearing refunds held by FRCS. This is particularly important for businesses. A legitimate VAT refund is not a favour or a concession - it is money owed to the taxpayer. When refunds are delayed for extended periods, businesses lose working capital that could otherwise be used. This is particularly difficult for small and medium-sized businesses operating with limited cash-flow margins. If Government expects taxpayers to meet the obligation on time, Government agencies must also meet their obligations to taxpayers on time. The relationship must work both ways and not one way.

Mr. Speaker, Sir, I want to draw everyone's attention to the COVID-19 business loans that was issued in the year 2020 to help small businesses recover from COVID-19. After several years, there was no clear communication on repayment arrangements with FRCS. Now, many businesses have been contacted by FRCS, and they have been told that they have to repay 25 percent of the outstanding loan by the end of this month, with the remaining 75 percent due by June 2027.

I understand that these loans must ultimately be repaid, and they all understand that, but the question is whether the repayment arrangements are realistic for businesses that are still facing higher fuel, freight, transportation and input costs.

Mr. Speaker, many small businesses are still rebuilding their cash flow after COVID and now with fuel issues, if Government suddenly requires a substantial repayment within a very short period, we must ask whether we are helping these businesses recover or we are placing some of them at the risk of closure. I, therefore, urge Government to adopt a more practical and flexible approach.

Why can FRCS not provide structured payment arrangements based on the cash-flow capacity of individual businesses? A business that can afford to pay more should do so. A business that is genuinely struggling should be given a reasonable repayment period. If a business closes because it cannot meet an accelerated repayment schedule, Government may lose not only the outstanding loan amount, but also future tax revenue, employment and economic activity. That would be counterproductive, Mr. Speaker, Sir. I, therefore, urge the honourable Minister for Finance and the Deputy Prime Minister Kamikamica, since he looks after small businesses, to review this arrangement so that businesses have access to reasonable payment plans.

Mr. Speaker, Sir, this brings me to the bigger issue before us. The FRCS collects revenue, but it is the Government that decides on how that revenue is spent. It is through the budget that we learn about how this money will be used. Therefore, when FRCS reports record collection, Government cannot simply celebrate the numbers. The real question is, what are taxpayers getting in return?

After almost four years in office, this Government has had access to unprecedented levels of revenue generated through VAT increase, corporate taxes, and many other forms. Yet, many Fijians are questioning whether they are receiving greater value for the taxes they pay and the growing debt burden they will ultimately have to shoulder.

We already know that older Fijians are already paying the price. The eligibility age for transport assistance has increased from 60 to 65, so they are missing out on transport assistance. Now, the support for senior citizens who are facing rising living costs have lost out on accidents and fire support that mattered the most during times of hardship.

There are many such issues which are faced by teachers. We all know the delayed payment to the teachers, particularly, their acting and local allowances, and qualification upgrades are yet to be paid. We have heard from the union that some teachers have to rely on credit from local shopkeepers after going months without pay.

Now, our young people are paying the price, Mr. Speaker, Sir. It is irresponsible to make young people believe that their tertiary education is guaranteed, despite good marks, only to be told that TSLS has run out of money and they have to wait for next year.

Mr. Speaker, Sir, I was just reading the news, and I have learnt that the Government has already taking another set of loan which is \$443.7 million and that will take our loan debt burden to \$11.75 billion. By the end of the year, we expect that this loan amount or the debt will increase to about \$3 billion, and that is a very big amount when we are not able to really see some of the changes that we would like to see on the ground. If Government is collecting record revenue, why must it continue borrowing at such a level while essential services and assistance remain under pressure, which I have just mentioned a while ago?

It should not simply give Government more money to spend. Collecting FRCS revenue should not be an opportunity for the Government to just keep on spending and keep on borrowing. It should be reducing the debt and improving essential services.

HON. J. USAMATE.- Hear, hear!

HON. P.D. KUMAR.- Mr. Speaker, Sir, I again commend the FRCS CEO and staff for their strong revenue performance and the work they continue to do.

HON. E.Y. IMMANUEL.- Mr. Speaker, Sir, I join my colleagues in offering my condolences to the Kuridrani family on the late honourable Kuridrani's passing. Thank you for a life well lived,

as well as for being effective in our community through his work and as a parliamentarian.

Mr. Speaker, Sir, I rise to respond to the matters raised by the Standing Committee on Economic Affairs on FRCS, and I will briefly address the responses under the 15 key recommendations identified by the Committee. Again, I wish to commend FRCS for its great collections of around \$3.5 billion in 2025, exceeding the forecast, and as well as for the 2026 year, it surpassed the 2025 collections, even though we lived through five months under the current fuel crisis.

Sir, FRCS has advised that this performance was driven by the recurring tax revenues and, importantly, the underlying economic activity. The current active and growing economic activity by the current Government from 2023 is a key contribution to this collection. We had contributions of approximately 46.9 percent, income taxes of around 29.1 percent, trade-related 14.2 percent, and other taxes and levies around 9.8 percent.

On tax arrears, Mr. Speaker, Sir, at the end of 2025, the debt balance was around \$495.4 million. However, this is a gross figure. It includes disputed debts, those with repayment arrangements, those with insolvent taxpayers, and there are some aged debts, or some core debts, which we can say, probably not easy to collect, having been built from prior years. It is not only for the last two or three years, but it has also been there for some time. However, FRCS is moving towards a more risk-based and segmented debt management approach, including early intervention, structured repayment arrangements, refund offsets, as well as stronger enforcement.

In 2025, refunds amounted to around \$639.9 million, and this is again, an accounting liability that includes amounts subject to verification. I think I explained this in the last Parliament sitting, subject to audit, subject to reconciliation, subject to offsetting, and other processes.

On tax amnesty, Mr. Speaker, Sir, it resulted in around 40,000 returns being lodged, with approximately \$75 million in payments and declared liabilities associated with those lodgements. A good result in carrying out amnesties every year. Sir, FRCS acknowledges that amnesties should be exceptional and time-limited and should not become a substitute for normal compliance.

Mr. Speaker, Sir, on government waivers, write-offs, and governance control, FRCS reported around \$184.6 million in penalties were written off during the year. It is important to note that again this figure relates primarily to the penalties and accounting adjustments. They should not be interpreted as government writing-off \$184 million in principal tax. Out of that, approximately \$9.92 million of the penalty waivers occurred in May, June, and July in 2025 in connection with the tax amnesty programme.

Compliance improvement strategy and tax enforcement, the FRCS in implementing a risk-based compliance approach. I think I explained this in the last Parliament sitting. During the period under review, the compliance improvement strategy identified approximately \$45 million in additional abilities and secured additional \$30 million in collections. These are additional to what is currently in the books.

Tax crime, financial crime, and anti-money laundering, FRCS continues to work closely with FIU and other law enforcement agencies in addressing tax evasion, fraudulent refunds, unexplained wealth, and complex financial crimes. It has identified that a suspicious transaction report does not automatically become tax investigation. Some reports may require further analysis related to other agencies' mandate and simply provide intelligence for a wider investigation.

Border security, custom enforcement, and integrity, the work of the Transnational Crime Unit and our co-operation with international partners, including the Australian Border Force should be noted. They have a K9 Unit which provides additional detection capability at airports, seaports, postal and courier cargo areas, and targeted enforcement operations. Sir, FRCS reported around 29 Ethical Standard Unit cases during the reporting period, including disciplinary matters, referrals, and cases resulting in process improvements.

Ethics, governance, and whistleblower framework, as we are aware, FRCS has a whistleblower policy to improve its recurring integrity issues. Sir, FRCS also reported that five whistleblowers received a total of approximately \$43,500 in rewards, while three received commendation letters for disclosures that continue improved revenue collection.

Export earnings, offshore transaction and transfer pricing, FRCS monitors export earnings and offshore transactions with the other government agencies. It uses custom declaration, tax returns, VAT information, and all other information under its care.

Financial performance and organisational efficiency, I wish to advise that the organisation improved its financial position of around \$598, 000, with a surplus of around \$6.38 million. It is a well-administered and well managed institution.

Customer services and context sector performance are doing well in that sector, receiving approximately around 69,000 inbound calls and over 51,000 were answered.

Migration and revenue implication, FRCS recognises that migration can be both an immediate and long-term application for government revenue. However, it collected strong in 2025 of around \$239.4 million. Mr. Speaker, Sir, as alluded to before, it works with the other agencies, including the Ministry for Immigration as well. It has improved its digital transformation and cybersecurity needs within the financial year and will continue this year and the next three years.

Mr. Speaker, Sir, with the record collections, the Government took into account the needs of the people. During this current crisis, we are assisting wherever we can in terms of mitigation measures in terms of fuel, transport, and all those other assistances. All the funds are well utilized, well budgeted, including the teachers and other requests that are coming, plus some more that we have targeted and that is to cover the *El Nino* issues that we have. With that Mr. Speaker, Sir, I commend the Standing Committee for its Review of FRCS, and I also wish to commend the board, CEO, management and all the staff of FRCS.

HON. S.T. KOROILAVESAU.- Mr. Speaker, Sir, I will make a very short contribution to this Report. Basically, most of the areas of interest have been covered by the two previous speakers that have spoken before me.

Mr. Speaker, Sir, the first issue that I wanted to raise is basically the percentage of revenue collection and also the consequent concentration of revenue being collected as tax from the bigger companies. I think this is one of the issues that we have highlighted. We have seen a significant concentration of revenue sources to 58 gold card holders, and they basically are providing 57 percent of the income that is generated by FRCS. The issue is that this risk should be managed and in case, these big companies believe that there are other countries that they would like to because whatever is in their business decision, this could affect the revenue collection by FRCS.

The second issue that I wanted to highlight is the issue of VAT refunds. Mr. Speaker, Sir, this is a challenge to the smaller companies that basically pay VAT and wait around to be refunded on their VAT content. The small companies struggle because they basically depend on these VAT

returns for the output and the commercial decisions that they have to make within their trades and businesses. The discussions with FRCS when we have our discussions during our Committee meetings, there seems to be a broader leeway that is available to FRCS that is not available to small companies. Small companies have quite a restricted cash flow and when VAT refunds are not returned in time, it affects their bottom line.

The penalty waivers, Mr. Speaker, Sir, we find that it is quite restrictive. The penalty waivers that have been given seems to be restricted to a certain, I mean, they are better taxpayers, I may say. The others are not; they believe that they have been unfairly treated in that aspect of tax revenue collection and what is being given to them when they are penalised or they are caught in some commercial activities that does not correspond the normal requirements within the financial system.

Mr. Speaker, the second issue is, I had said before when we had reviewed the Fiji Financial Intelligence, when we look through the second report of FRCS, the importance of Fiji Intelligence Unit is clearly highlighted again in this Report. One thing that we must give credit to FRCS that they basically show Fiji how text collection could be friendly and general. In our discussions with FRCS in previous reports and in this report, we have acknowledged that FRCS has taken service providing to another level.

As you may remember, Mr. Speaker, before, the tax people are always being frightened of. As soon as you see a tax agent around your office, you seem to think that you are going to be put into handcuffs and taken off, but this has greatly changed and we have experienced it as a Committee, the way that they have treated their clients is number one. I only wish that all our government agencies can follow the example given by FRCS. I support the motion before the House.

HON. PROF. B. C. PRASAD.- Mr. Speaker, sorry about this last minute addition. I was not in the caucus this morning, but before I give my contribution, let me pay my deepest condolences to honourable Kuridrani's family. I was with him in Opposition from 2018 to 2022. He was very passionate about what he believed in, he shared with me all the stories every now and then about his son's stellar performance in rugby. I always used to enjoy his company and his commentary about, not just rugby but a lot of other things. It is very sad that we have lost him, Mr. Speaker.

Mr. Speaker, Sir, a couple of points I want to make, I think the honourable Minister of Finance has given us the statistics, but one thing I want to lay out to this Parliament is that the budgeting and the forecast, as opposed to the actual revenue collection, has been on the spot. In fact, all throughout the last four budgets, and I am hoping that the last budget as well, has produced revenue above the forecast. That means, Mr. Speaker, that Government budgets are based on proper forecast, there is no exaggeration, there is always an attempt to give a very clear picture to the Parliament and to the general public. I know honourable Kumar did not want to emphasize too much on it. I think she was talking about how revenue collected is used, a very legitimate question, a very legitimate point. However, I think it is also very important, and this is to the credit of FRCS, and to the credit of this Government, as opposed to what used to happen in the past.

From 2014 to 2019, Mr. Speaker, not once the government got their forecast right. In fact, throughout those years we were collecting revenue much less than what the forecast was. And in some years, in 2017-2018 budget, the forecast was down by 16 per cent, more than \$600 million. In 2018-2019, and I will explain why it happened, the forecast or the actual revenue collected was 24.9 percent lower than what was forecasted in the budget.

Mr. Speaker, Sir, in 2018 and 2019, I will explain why it happened, the forecast or the actual revenue collected was 24.9 percent lower than what was forecasted in the budget. I know we had the 2018 election; there was this very inflated forecast expenditure laid out before the election. In fact, in 2019, we ended up with almost a negative economic growth. The point I am trying to make, Mr.

Speaker, Sir, is that in the last three years, we have addressed that fundamental issue that government is to try and do the right forecasting, the right budgeting so that we send a very clear signal as to what the government intends to do.

As honourable Koroilavesau and honourable Premila Kumar also admitted or said that the changes that FRCS has made, including a number of strategies whether it is through amnesty as the honourable Minister for Finance said, it is not just about writing-off taxes. The principal tax or sum was not written off. It was providing penalties and incentives. In fact, the last amnesty that was given, it brought in 40,000 outstanding taxpayers into the net apart from getting the additional revenue, getting them into the net and working with them.

I think, honourable Koroilavesau is absolutely correct. That culture of fear that was created before, we used to hear that from the taxpayers when we were in the Opposition that somehow FRCS was going to get to your doorstep and do all kinds of things. The culture of tax paying is part of the responsibility of tax agencies, and this is modelled on Australia and New Zealand. If you look at what are some of the services they provide, they actually help the taxpayers because it is in the interest of FRCS and the institution to ensure that the businesses actually do better. The better they do, the more revenue the organisation would be able to collect.

I am very happy to hear from honourable Koroilavesau that the service that FRCS now provides to the taxpayers, and together with that service, its ability to work with the taxpayers so that they are able to file their returns and sort out issues with the agency. So, the institutional gains have been big. We have broadened the voluntary compliance that has reduced the tax gap, and of course, improving the general welfare of the taxpayers.

Mr. Speaker, Sir, we also undertook various tax reforms. Some we may agree or disagree, I know there were issues, but you have got to look at some of these tax reforms. A combination of tax, what is more effective. Where does the incidence of tax fall? For example, our tax threshold is probably one of the highest compared to many other countries; it is 30,000. If you look at the number of people who actually pay taxes in this country, in terms of salary earners and wage earners, it is very small.

The Government will have to look at alternative strategies. So, when we increase the corporate tax in our first budget, the businesses were not complaining about it. They accepted the fact that the government has to look at ways to collect revenue and VAT which is a consumption tax and which was always there. At one time, as I have said, from 2011 to 2015, it was just one single rate of 15 percent, then we had three rates; zero, nine and 15. We then reduced it to zero and 12.5 percent.

The combination of taxes that a country has at any one point in time, depends on other circumstances and that is what this Government has done. We have taken a very conceded approach and that is why it is showing in the amount of revenue we are collecting. We can debate how that revenue is used, that is another issue, but the point is, that we have got the tax-paying culture, revenue collection and institutional strengthening right on target and that is a good foundation for the future. I want to take this opportunity to thank the Committee for the Report and also thank FRCS for the good job they are doing.

MR. SPEAKER.- Honourable Members, we have two more speakers, and then we have the mover to contribute further to the motion. I would like to take a break now. Before we do that, we will proceed with a suspension motion and then for the purposes of complying with the Standing Orders with respect to our sitting times, I will now call upon the honourable Leader of the Government in Parliament.

SUSPENSION OF STANDING ORDERS

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

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

HON. A.V.B.C. BAINIVALU.- Mr. Speaker, I second the motion.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, as alluded to, we still have to finish this Report on FRCS, the Compliance Audit Report, Performance Audit on Implementation of Climate Change Adaptation Actions in Fiji, and of course, the Auditor-General's Report and the Ministry of Sugar 2020- 2021.

MR. SPEAKER.- The floor is now open for any debate on the motion. Is there any? I see none.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I do not have any further comments.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, we will now suspend our proceedings for a break. Parliament will resume in half-an-hour.

The Parliament adjourned at 3.58 p.m.

The Parliament resumed at 4.35 p.m.

RESUMPTION OF DEBATE ON REVIEW REPORT ON THE FIJI REVENUE AND CUSTOMS SERVICE 2024-2025 ANNUAL REPORT

MR. SPEAKER.- Honourable Members, there are two more speakers on my list for the Report on the Fiji Revenue and Customs Service 2024-2025 Annual Report.

HON. F.S. KOYA.- Mr. Speaker, I will be very brief because I think the speakers before me have covered issues sufficiently with respect to the Report that is before us. Let me first, at the outset, we agree with the recommendations in the Report. Just two things that I wanted to mention. One was the issue that was raised by the honourable Professor Prasad with respect to the record amount of revenue that was collected. I think what he omitted to say was that the reason for that was about 40 percent of it, almost 40 plus percent was actually from increase in VAT, and that was the reason why the large amount of collection.

Having said that, Sir, I think FRCS as an institution has grown considerably, especially straight after the fact when it changed names to Fiji Revenue Customs Service rather than Authority, to make it more amenable to the general public. But one of the things that was quite worrying, and I say this because of the MSME sector and small businesses, and I think this was actually picked by the Committee, that the contact centre level actually lag the customer centricity narrative.

Now if you look at the numbers, of course, they look good from above. It is reported that the contact centre levels of 89 percent for taxation inquiries, 86 percent for customer inquiries and 89 percent for operator queue management. But if you look at it, the red side of it is that average call abandonment rates remained high at 25 percent, increasing to 33 percent for custom related inquiries. That is about one-third. So that is a very worrying aspect with respect to the service delivery that is coming out of FRCS and that is something that probably needs to be addressed, in terms of customer service. If you are talking about a lot of MSMEs, they do not have the ability to stay on the phone for half an hour, 45 minutes waiting for a response. So, in all the digitization that we are actually doing, that is probably something that needs to be looked at in terms of increasing the customer service level.

The other issue I wanted to raise again, this is a lot to do with MSMEs, Mr. Speaker, the fact that refunds, it is fine, there is a demand put on a customer to actually pay by a particular time, they feel under the gun to make sure that it is paid on time, but when it comes for FRCS to do the refunds, there is a considerable amount of time that elapses whilst these small businesses have to suffer without it.

The other complaint that actually comes from small businesses is that once it is all completed, for argument's sake, if there is a charge put on a particular company's property or a person's property, even after the payments are completed, FRCS does not remove that immediately, it stays there for a long while. For example, if the customer is actually going to sell it and suddenly realizes but FRCS charge is still on it, it has not been done. So, this particular aspect of customer service needs to be improved, and I think that has been picked by the Committee with respect to the outcomes that they have actually delivered. The Committee has also said that these outcomes are inconsistent with FRCS's commitment about being customer centric in its service delivery from a broader transformation objective.

Mr. Speaker, those are just a few things that I wanted to say because I think the rest of the stuff has actually been covered quite sufficiently, but all in all, I think FRCS does a great job collecting the necessary revenue for Fiji to ensure that we are in a good space in terms of revenue collection, et cetera and also border management, border security also, I know they are continuously improving it in this day and age. It is something that we need to look at, and I think whatever support that we do need to give to them, we should always do so because it is a line of protection for us.

With those few words, I commend and agree with the recommendations of the Report.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, Sir, thank you for the opportunity to contribute to the FRCS Annual Report for 2024-2025, and of course, one cannot ignore the fact that this is perhaps one of the first reports tabled here where we are discussing financials basically a year after the finalisation of the accounts. Again, this attests to what this side of the House has been espousing for, which is the timely delivery of accounts to enhance governance and financial accountability.

Certainly, we have improved things in terms of financial reporting over our term in Government, Mr. Speaker, Sir, and I hope over the next couple of years ahead, all reporting entities will be sufficiently reporting on very current results. I just thought I would begin by acknowledging management and the board of FRCS for their performance in terms of financial reporting.

Mr. Speaker, Sir, I thought I could not ignore some of the points raised by honourable Premila Kumar, particularly in relation to the increase in revenue but where has the spending gone? Perhaps, as usual, like the other side of the House, it probably suffers from memory loss or memory lapse. As this House can recall, the bulk of the increase that happened in our first budget, Mr. Speaker, Sir, went straight back into the hands of the taxpayers of this country. Record budgets for health, record budgets for transport, major allocations to iTaukei Affairs, major allocations to women, et cetera. Mr. Speaker, Sir, it is fine to sometimes pontificate, but I think we lose sight of the fact that this side of the House has been recommitting the bulk of the tax increases right back into the hands of the people of Fiji.

I thought I would just focus a little bit in terms of one particular area which honourable Koroilavesau touched on, as well as some of the previous speakers, in terms of revenue collection, and particularly the concerns over the concentration of collections in the hands of several major companies. In fact, from my recollection, 54 percent of the national contributions was attributable to 58 key companies and their subsidiaries, and 23 Authorised Economic Operator (AEO) members.

That is a concern, but I think we have to realise that it is a function of the economy we have built. We have built an economy over the years that focuses on VAT being the major collection driver. It is now up to 44 percent to 45 percent of the economy. We have deliberately, from past governments, reduced PAYE tax, so it is no longer a large collector. The bulk of the collections happens to the companies of Fiji, and also VAT. It is an economy that we have built in that way. But I think, what I thought I would share here is, link that to some of the strategies that this side of the House has been committed to.

You will recall, Mr. Speaker, that I have continuously talked economic diversification in this House, and that is what will help fund our growth in the future. We have brought *Google* to Fiji, we believe that that will grow the ICT industry in this country. The BPO sector is growing from strength to strength. It is now 9,000 employees strong, over \$300 million in foreign exchange. We have introduced Fiji Water to do citrus in Vanua Levu. They have already started planting 7,000 trees this September. Aitken Spence, the operators at our port in Suva and Lautoka have got a 200-acre farm that they are about to start planting in Nadi. We are gradually expanding the footprint of the Fijian economy.

Apart from that, there are other stories that I have shared in this House. For example, the ONA Coffee Fiji, there is a company out of Australia that started collecting wild coffee in Rakiraki. They are now dealing with 30 farmers in Ra, and the honourable Niudamu will be aware. However, the intent is to scale that up over time and have a viable coffee industry for the country. These are the types of building blocks that this side of the House has been preoccupied with, so that whilst, yes, there are concerns over collections, we are deliberately trying to broaden out the economic base of

the country so that we can capture more revenue into the coffers of the country.

Mr. Speaker, Sir, I also would like to acknowledge the work of FRCS, particularly with small business. They have a small MSME Unit within FRCS, and it plays well in terms of what honourable Koroilavesau was saying about being friendly to all taxpayers. They have been going around the country training small businesses. One of the strategies that they have is to bring more small businesses into the formal economy. I think the work that this Government has been doing, together with some of the initiatives being undertaken by FRCS, bodes well for the economy in the years to come.

Before I stopped on this point, just also to emphasise that amongst all these positive developments, the pipeline for investment is about \$9 billion, there is a lot of tourism investment going in. Next year, almost 1,000 rooms will be released into the Fijian economy, and that includes Sofitel and other Sofitel-related properties that have almost complete construction – one within the Sofitel property and another in Wailoaloa, and then of course, hopefully Westin which will come back online. These are some of the things that will happen rapidly which will assist with the collections and the growth of the economy.

I also just like to compliment the Committee on their recommendations. I do support their request for the outstanding VAT to be looked at. I certainly, as a former private sector operator, appreciate the concerns of VAT refunds. Perhaps, my learned colleague, the honourable Minister for Finance, may have a look and see whether we can accommodate some of the liquidity issues that are arising from small companies.

In terms of the contact centre, as mentioned too by honourable Koya, I wonder whether FRCS should look at a business processing outsourcing centre to do their calls rather than do them themselves – outsource it, it is not their core business. Given that we now have a viable and growing BPO industry, perhaps it may be time to outsource it over to one of these BPOs and allow them to operate it. It will address some of the call abandonments that have been highlighted in this Report.

Overall, Mr. Speaker, I also support the Committee's recommendations around this quality of reporting and aligning it more to KPIs. That is, of course, something that we are trying to do across every single agency and our government. But having said that, I think we have to compliment FRCS for another good year of performance, another good year of financial accountability and reporting on time. With those few words, Mr. Speaker, Sir, I support the Report before us.

HON. S. TUBUNA.- Mr. Speaker, Sir, I think the honourable Members have mentioned quite a lot of issues relating to the Report, and I am sure that most of the honourable Members will agree with me that FRCS is playing a very important role in terms of revenue collection and there still needs to be some improvements. As highlighted in the Report, we expect the honourable Minister will follow it through and ensure that these recommendations are fully implemented so that when we look at the report next year of this year, all those recommendations are taken care of. I would like to thank all the honourable Members who have commented on the Report, and I do support the motion before House.

MR. SPEAKER.- The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

REVIEW REPORT ON THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI’S COMPLIANCE AUDIT REPORT

HON. J.R. VOCEA.- Mr. Speaker, Sir, I move:

That Parliament debates the Review Report on the Compliance Audit Report which was tabled on 20th August, 2026.

HON. H. CHAND.- Mr. Speaker, Sir, I second the motion.

HON. J.R. VOCEA.- Mr. Speaker, Sir, the honourable Prime Minister, honourable Deputy Prime Ministers, honourable Ministers, Assistant Ministers, and honourable Members of Parliament, as Chairperson of the Standing Committee on Public Accounts, I rise to speak in support of the Committee's Review Report on the Compliance Audit Report concerning the Government's COVID-19 Cash Assistance Programme and Food Ration Distribution Programme.

The Committee undertook its Review of the Compliance Audit conducted by the Office of the Auditor-General to assess whether these emergency relief initiatives were administered in accordance with established governance frameworks, financial management requirements, procurement regulations and standard operating procedures. This review was important as these programmes involved significant public expenditure during one of the most challenging periods in Fiji's history and were intended to provide immediate support to households affected by the COVID-19 pandemic.

As a background Mr. Speaker, Sir, the Compliance Audit examined two major COVID-19 Relief Initiatives implemented by government in response to the nationwide lockdown and containment zones established during the pandemic. The first initiative was the COVID-19 Cash Assistance Programme which was implemented through five phases and resulted in the disbursement of approximately \$226.1 million in assistance to affected households.

The Programme utilised digital payment platforms, including mobile service providers and the Fiji National Provident Fund platform to facilitate payment to eligible recipients. The second initiative was the Food Ration and Distribution Programme, which provided essential food supplies to households affected by the lockdown and home inflation and home isolation requirements.

A total of 40,000 food ration packs valued at approximately \$1.69 million were procured and distributed during the implementation period. The audit was conducted in accordance with the international standard of the Supreme Audit Institution and addressed compliance with governance arrangements, financial management guidelines, procurement requirements and operational procedures established for these programmes.

The Committee acknowledged the unprecedented circumstances under which these programmes were implemented and recognised the efforts of Government agencies and frontline personnel in delivering assistance to vulnerable households during a key pandemic.

The key issues identified by the Committee were:

- (1) the weak governance and risk management control processes;
- (2) the lack of documentary evidence for oversight functions;
- (3) duplicate payment and verification challenges;
- (4) the retention of unspent funds;
- (5) weaknesses in food ration distribution controls;

- (6) delays in food ration deliveries; and
- (7) data management and record-keeping weaknesses in terms of the retention of unspent funds.

The Committee noted that more than \$18.5 million remained in service provider accounts after completion of the programme. Although the Ministry advised that approval had been granted for retention of these funds, documentary evidence supporting such approval could not be produced for audit. The committee went further to further investigate and look deeper into this retention of unspent funds.

As such, we had a meeting with the Permanent Secretary of Finance and his team, who also wrote to the committee and said that since the end of July 2022, Government has used the M-PAiSA and MyCash funds for payment of inflation mitigation payout, bus fare subsidy and back-to-school support.

The current balance as of July 2026 stands at around \$3.18 million. The Permanent Secretary of Finance further stated in writing the breakdown on how this retention fund was utilised and closing balance for M-PAiSA and MyCash for years 2025 to first July 2026, stands at \$3,183,000.22. There was some confusion among us as members of the Committee and we also sought the assistance from the Auditor-General in terms of the utilisation of this retention fund. However, after our session with the Permanent Secretary for Finance, we were fully convinced that these retention funds were utilised in the manner of trying to sort out some of the issues that the country faced through this pandemic. So, we felt that this retention fund of \$18,511,428 was well utilised.

We had a session with the Permanent Secretary for Finance, and his team and all of us agree that it was a new phenomenon to our country. We do not usually come across this kind of pandemic. Natural disasters, yes. They know the strategies of how to utilise funds to cater for assistance in natural disasters, but for this one, it is a learning curve for them and reoccurrence of a big pandemic such as this, our staff at the Ministry of Finance and as well as frontline officers in Government will be fully aware. They will be fully equipped on how to handle such situations.

All in all, that is what we have gathered from the report after our session with the Permanent Secretary for Finance. I thank you, Mr. Speaker, for giving me the opportunity to table this Report to Parliament.

HON. E.Y. IMMANUEL.- Mr. Speaker, Sir, I rise to respond to the Standing Committee on Public Accounts Review Report on the Compliance Audit Report concerning the Government's COVID-19 Relief Initiatives, namely the cash assistance program and the food assistance distribution programme, as explained by the Chairperson; around \$226.1 million as well as \$1.69 million.

Firstly, I want to acknowledge the work of the Auditor-General and also the Standing Committee on Public Accounts in undertaking this review.

Mr. Speaker, Sir, the COVID-19 pandemic was an unprecedented global crisis. Fiji faced severe economic and social disruption arising from the border closures as well as the collapse of tourism, business shutdowns, and widespread job losses. So, it is the first unprecedented crisis which requires unprecedented mitigation measures as well. The Government was compelled to act swiftly to protect lives and livelihoods, and those relief programmes were designed and implemented under extraordinary circumstances when speed of response was critical to ensuring that Fijian families receive assistance when they needed more.

Whilst the urgency of the situation required the rapid mobilisation of resources and delivery of assistance to affected Fijians the Ministry acknowledges that extraordinary circumstances of the pandemic presented significant governance and administrative challenges. Certain controls and documentation processes could have been strengthened. Those programmes were implemented during lockdowns, movement restrictions and strict health protocols which constrains normal operations and require swift action to support vulnerable households. So, it is a big lesson that we have learned and have since informed reforms to ensure accountability in terms of emergency response preparedness for calamities like COVID-19.

So, we fully support the recommendations as well as identify the weaknesses that were there that we need to be consistent with sound public financial management practice, align through Government ongoing efforts to ensure accountability and transparency.

We also recognise the value that they bring in terms of the review towards strengthening preparedness for future emergencies. So, Mr. Speaker, Sir, we need to strengthen areas that were identified as weaknesses:

- (1) Internal controls and governance, which includes segregation of duties, supervisory review requirements across finance and payment processes. The other is standardisation of programmes, approval, monitoring and reporting procedures.
- (2) Digitalisation and the use of digital areas as well as data management in terms of kind of crisis, as we are doing now which includes the expansion of digital payment platforms, electronic transaction, improve the audit trails and reduce manual processing risk.
- (3) Another weakness found was in reconciliation and financial reporting. Now we are carrying out mandatory review and sign-off procedures for reconciliations on every benefit, type of grants or assistance that we provide. The Ministry of Finance is seeking to improve the monitoring of trust accounts, and in some cases, we have moved the trust account from other ministries to the Ministry of Finance, as well as how we operate or work with digital wallets and programme balances.

There was an issue that was raised by the Chairman of the Committee regarding the \$18 million that was carried forward from those two digital wallet operators, and we have been provided with a reconciliation on where it was utilised.

- (4) Procurement reforms — During that crisis, it was a challenging environment. However, moving forward, we should continue to ensure that enhanced guidance is provided to emergency procurement and continue the emphasis on documentation of approval, justification, value for money during those emergency situations.

Apart from that, was the ongoing capacity building programmes. At that time, the ministry was utilising staff that were available from Ministry of Finance and other ministries. This is an initiative that we need to keep on doing with other ministries.

- (5) When the crisis happened, we were not prepared. This is a lesson learned from COVID-19 and it was good exercise for us, especially with this current fuel crisis. Again, Mr. Speaker, Sir, COVID-19 was once in a while, or once in a generation event; however, it is not an excuse for issues that were raised by the Auditor-General.

Mr. Speaker, Sir, despite the immense fiscal pressures that go together with the crisis, the Government was able to mobilise resources during those times, preserve essential services and provide direct support to vulnerable Fijians. It was carried out in difficult times, and the Ministry, as well as the Government at that time, was trying to do its utmost to ensure that relief are received by

our people, that is, to help protect the livelihood, maintain social stability, and support Fiji's economic recovery.

Mr. Speaker, Sir, to ensure this House that the Ministry of Finance remains firmly committed to upholding the highest standard of public financial management. We continue to ensure there is robust internal controls and reconciliation process which we are advocating without the Ministry every month and ensure proper record keeping and also strengthen governance arrangements within ministries and the Ministry of Finance.

Mr. Speaker, Sir, with those remarks I support and do agree with the Committee's report, and I urge all honourable Members to endorse its findings and the recommendations.

HON. J. USAMATE.- Before going on to the motion, I would also like to I express my condolences on the passing away, first of all, of the honourable Agni Deo Singh recently. He is a person that has always stood very strongly for what he believed in. He was a person that I came to work with on occasion when I was still occupied at the Fiji National Training Council, the Trading and Productivity Authority of Fiji, where he was a member of some of the boards there, and also the council.

Also, my classmate from Lelean Memorial School - Form 6 of 1979, the honourable Inosi Kuridrani. He has been in our class at Lelean, no matter he is your *tauvu* or *tavale*, you all call each other *karua*. That is why we all always call each other *karua*. He was a very good friend. We also always had a lot of opposing views. Great rugby player, silky smooth runner. Inside centre, outside centre, him and his younger brother Isei, both of their kids, of course, Nemani Nadolo and Te Kuridrani represented Australia and Fiji respectively. So, condolences to both of them. Thank you for their service to this country and condolences and well wishes to the family.

COVID, for those of us who have lived through it, it will be something that you will never forget, especially in terms of trying to cope with it. In the midst of COVID, of course, we had a cyclone. You can imagine, just looking at some of the stats, sometimes they would go past, we forget about more than 68,000 cases, 878 deaths. And the good thing is that we were able to get 92 percent of the population fully vaccinated.

When it first started, we kept it under control. Then we had that after 2020 when it exploded, but we could not keep people in quarantine, which really, really surged up after the Delta variant, where we had targeted lockdowns covering up to 70 percent of the population. The good thing is because of our high vaccination rate; we were able to open the border by late 2021. However, during that, the closures of course, there was a need for some radical new programmes to assist the people of our country. And I am glad to go through the report that has been put together about the measures that were put in place, giving cash assistance and food assistance.

I think the Chairperson has gone through a lot of the significant recommendations that have come up, and I congratulate the Committee for the work that they have done and also congratulate the Ministry of Finance for the work that they did in these very difficult circumstances as you recall. We even had Parliament from home at that time; in the midst of all that, all this had to be managed. The people that were out there were away from their families. Some of them would be away, they get COVID, they come out and go back in, and they are out again in the fields, doing all this kind of work to help the people of this country.

I think there have been significant recommendations. It is highly likely that this kind of thing will happen again. I realize that the findings that we had from that event has helped us to use, as the Chairperson pointed out, to use the measures that we did, using digital technology to give out

assistance to people in other times that we have since then. However, there are various things that have come out of the report that I need to mention for the cash assistance programme. It is likely that this kind of thing will be needed again in the future. There is a lot of very good recommendations on risk assessment. The risk assessment was not well done - it needs to be improved upon. The identification of conflicts of interest of the people who were involved in this situation, and how that led to a lot of complaints about how things were being done in terms of giving out the cash assistance.

I think one of the things that struck me in the common significant recommendations, Mr. Speaker, Sir, is Recommendation No. 5: duplicate payments. People getting cash payments twice or three times. They were able to clear most of that, but I see from the statistics that there were still, at the time this report was put together, 62 duplicate payments that were yet to be rectified. Of course, it is understandable, given the pressure to give out the money and, at the same time, make sure that strict controls were maintained over all of these things. All of these issues have been itemised. There are recommendations on them.

In terms of the food ration distribution programme, Mr. Speaker, Sir, I think one of the things that struck me in this list of recommendations is the one relating to distribution protocols. The need to be able to make sure that when it is distributed, your data is right, your systems are right, so that it gets to the right persons and not the wrong persons. Having been part of all that exercise when it was happening, I can tell you that there were lots of complaints. Sometimes you do not know whether they were genuine complaints or not, but they need to have the system on board to be able to deal with those kinds of things.

Related to that are duplicate names and multiple deliveries to the same people. Sometimes there were complaints left, right and centre about these things. But I think there has been a lot of learning, as we have pointed out. The recommendations are very clear in terms of what needs to be done. I do not know what has been done and whether it will be reported back to the Committee. We do not get to understand, because these sorts of things will happen in the future. As a result of this, I think the Ministry is much more prepared to be able to address should there be a need to provide cash assistance and food deliveries.

If you look at the report, one of the recommendations, is timeliness of delivery. Their target, Mr. Speaker, Sir, was actually to be able to give it out within three days. I do not think that was met at all. It was always delayed. Understandable to some extent, but nevertheless, once you know where you are and what you have been able to achieve, I am sure that the Ministry has been working hard to make sure that within zero to three days, the food rations reach those to whom they need to go, because speed is essential.

When people are in dire straits, they need assistance. It is absolutely critical that the assistance gets to them. Because if it does not get to them, other kinds of things can happen. Of course, this not only impacts the people who need that assistance at that moment in time, but it can also have some impact on their ability to recover because they did not receive assistance in time.

Mr. Speaker, Sir, as I am looking through the report, I am glad to go through some of the recommendations. The conclusion is important because I am glad to see that it concludes that the Ministry of Finance implemented the cash assistance programme in compliance with the SOPs and agreements established for Phases Two to Five. That is good. In Phase One, they learned from their mistakes, made adjustments, and were able to improve the programme for Phases Two to Five.

Once again, this also showed us the efficacy and usefulness of using modern technology, mobile service providers, M-PAiSA, M-Cash and MyCash, enabling Government to get assistance directly to where it was needed. They do highlight the things that need to be improved: the absence

of documented risk assessments, interest declarations and all of these other things, Mr. Speaker, Sir. There are a number of recognitions there also for the food distribution programmes.

In closing, I think my sentiments go hand in hand with the Committee's sentiments, that the Committee recognises that both programmes were executed during an unprecedented national crisis and commends the Ministry of Finance. I would like to say that also, Sir. For my part, I would also like to look forward to the full implementation of the recommendations and to have some reassurance as to how those lessons learned have improved the SOPs and the execution of the SOPs.

Finally, before sitting down, Mr. Speaker, Sir, I would like to thank all those who were involved in this massive exercise. As I said, some of them had to be quarantined away from home for months at a time and took risks in getting to different places and delivering food and so forth. I would like to thank all of them, the drivers, the civil servants and all those who were involved in the exercise. They came forward to help this country in its time of need, and I endorse the recommendation.

HON. N.T. TUINACEVA.- Mr. Speaker, Sir, I rise to contribute to the debate on the review report on the compliance audit report examining the Government's COVID-19 cash assistance and the food ration distribution programmes. I acknowledge the work of the Office of the Auditor-General and the Standing Committee on Public Accounts, and I support the recommendations contained in this report.

COVID-19 presented Fiji with an emergency, unlike anything we had experienced in recent times. People lost jobs and incomes. Families were confined by lockdowns and containment measures. Government had to respond quickly. Through the cash assistance programme, which has already been mentioned by the Chairperson and the honourable Minister for Finance, we amounted to more than \$226 million that was dispersed across five rounds of assistance. Government also procured around 40,000 household ration packs at a cost of approximately \$1.69 million. The scale and urgency of that response must be recognised.

However, the purpose of an audit is also to learn. The report identifies weaknesses in risk assessment, verifications, documentation, and controls. For example, 12,602 duplicate payments worth \$630,000 were identified in round two of the cash assistance programme. Importantly, recovery processes and stronger controls were subsequently introduced. That tells us something important. Government responded, learned, and improved.

The Committee itself recognises that these programmes were implemented during an unprecedented national crisis, and that process was adapted across the different phases. However, there is another risk that I believe deserves our attention when deciding future emergency assistance. While Government must strengthen its system, there must also be responsibility in how public assistance is used by recipients.

We have heard reports and experiences from some communities of emergency cash assistance being used for purposes other than those for which relief was intended. These include reports of money being spent on alcohol. I am not trying to generalise on this one, but the overwhelming number of Fijians receiving the assistance were families facing genuine hardship and trying to survive an extraordinary crisis. However, where misuse occurs, we should not simply accept it as an unavoidable cause of delivering emergency assistance. It is a risk, and like any other risk involving public money, we should find ways to mitigate it. The report recommends comprehensive risk assessments of future programmes to identify fraud, duplicate payments, system failures, and establish appropriate controls.

I believe our future risk assessments should also consider the practicalities of how we can better ensure emergency assistance reaches its intended purposes at household level. That does not mean making assistance unnecessarily difficult to access. During an emergency, speed matters, but accountability also matters. We should examine appropriate mechanisms depending on the nature of the emergency, whether through targeted assistance, stronger verification, appropriate payment mechanisms, monitoring, or other safeguards that protect both recipients and public funds. Equally important is public education. The Government provides emergency assistance that should be clear and visible communication about why the assistance is being provided, what it is intended to support, and the responsibility that comes with receiving public funds.

Mr. Speaker, Sir, COVID-19 taught us that Government systems must be capable of adapting quickly. The report records that better practices were introduced after the first phase, including structured public communication, technology-based payment systems, and the recovery of duplicate payments. This is how we should approach the findings before us, not simply as a record of what went wrong, but as lessons for what we can do better next time because there will be another emergency, it may be another health crisis, it may be a cyclone, flood or another national disaster. When that day comes, Fiji must have the systems that allow Government to respond quickly while maintaining proper controls and accountability. That responsibility, however, does not rest with Government alone. Government has a responsibility to safeguard public funds and recipients have a responsibility to use emergency assistance for its integrity purposes.

We must address both sides of that equation. The lessons from COVID-19 gives us an opportunity to close these gaps now, strengthen our systems, and ensure that when public money is mobilised during an emergency, it reaches the people who genuinely need it and achieves the purpose for which it was provided.

Mr. Speaker, Sir, I support the recommendations of the Committee and the continuing work to strengthen Fiji's preparedness, accountability and resilience for future emergencies. We responded, learned and must use those lessons to do better.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I join my colleagues in paying tribute and offering my condolences to the family of late honourable Inosi Kuridrani. It is a sad moment for the Parliament as we mourn the loss of two of its Members.

I also wish to pay tribute to the late honourable Agni Deo Singh and pray that God provides peace and strength to the family during this challenging time.

Mr. Speaker, Sir, I rise to present a comprehensive contribution to the debate on the Review Report on the Compliance Audit Report, as tabled by the Standing Committee on Public Accounts.

At the outset, I must commend the former Chairperson, honourable Manoa Kamikamica, the Committee Members and the hardworking secretariat for dissecting these critical records. This Report examines two massive pillars of the Government response to the COVID-19 pandemic. The COVID-19 Cash Assistance Programme and the Food Ration Distribution Programme. Mr. Speaker, Sir, no one can dispute the immense pressure under which the Government operated when the pandemic struck. Lockdown, containment zones, and severe income losses forced the State to act swiftly. The scale of intervention was unprecedented.

Mr. Speaker, Sir, before I go on to the content of the Report, I must thank two people who ensured the safety of the people during the pandemic, whereby millions passed away during COVID-19 pandemic globally. I must show my appreciation to the current Permanent Secretary of Finance

who was appointed as Permanent Secretary of Finance during the height of COVID-19 to keep food on the table for the people and families, communities that were isolated due to COVID-19 outbreak.

Mr. Speaker, Sir, keeping economy afloat when revenue was almost reduced to zero, borders were closed, businesses were not able to pay tax and so forth. Yet the Permanent Secretary and his team ensured that every family is fed. The other person I would like to acknowledge is the former Permanent Secretary of Health, Dr. James Fong, who, with his team, worked tirelessly to ensure our people were safe. Sleepless night, falling off to sleep on the floor in his own office, staying away from family. What a sacrifice you two did for the safety and wellbeing of all Fijians. A big *vinaka vakalevu* to these two gentlemen.

Mr. Speaker, Sir, the Cash assistance provided disburse over \$226 million across five phases, reaching more than 1 million applicants. For the initial smaller payout, \$90 in round one and \$50 in rounds two and three, to a substantial household relief of \$360 in rounds four and five, through digital platforms like M-PAiSA and MyCash and FNPF portal were successfully leveraged.

Mr. Speaker, Sir, the food ration distribution programme involved procuring 40,000 household packs at a cost of \$1.6 million to feed families trapped in lockdown and home isolation. Yet, Mr. Speaker, Sir, while agency justified speech, it never justifies a vacuum in accountability.

The compliance audit conducted under ESAI, 4,000 reveals systematic governance gap, administrative oversight and data management failures that we must candidly address to ensure public funds are never managed in this way. Mr. Speaker, Sir, the audit finding highlights vulnerabilities across both programmes and demanded rigorous Parliamentary scrutiny but let us not forget that no one knew or was aware about the crisis of this sort and the magnitude.

Mr. Speaker, Sir, the first finding was absence of risk assessment, the Ministry of Finance could provide no documentary evidence that risk assessments were performed. Fraud identification, duplication payment risk and system failure controls were left unmitigated on paper.

Key personnel managing this multimillion-dollar displacement did not submit written conflict of interest declaration exposing programme to integrity risk. In round two alone, the audit uncovered 12,602 duplicate payments totalling up to \$630,000. While recovery mechanism improved later, 62 duplicate payments worth \$3,100 remain unrecovered.

A staggering \$18 million remain sitting in service-provided accounts such as M-PAiSA in MyCash, post-programme completion without formal cited documentary approval from the Permanent Secretary for Retention but was later explained that M-PAiSA and MyCash are constantly used for other purposes and it was accounted for and documented, Mr. Speaker, Sir. Due to health safety protocol, recipients' IDs were not recorded upon delivery, eliminating concrete evidence trail. The audit cannot confirm that all eligible applicants received assistance.

A total of 5,400 ration packs intended for Suva-Nausori containment zone were mistakenly delivered to Western Division. Mr. Speaker, Sir, standard operating procedures aimed for two to three days delivery window, instead, the delivery range from zero to 37 days. Mr. Speaker, Sir, the Committee recommendation are clear, pragmatic, and mandatory for future crisis management.

Future emergency responses must mandate documented risk assessment, sign conflict of interest form, and clear supervisory sign-off on all tasks and reconciliation. We must build robust electronic database in collaboration with agencies like Ministry of Women to eliminate outdated manual records and prevent double-dipping. Mr. Speaker, Sir, SOPs for emergency distribution must have hard delivery timeframes written into them, backed by digital confirmation of receipt to protect public funds.

Any remaining funds with third-party providers must be promptly retained to the consolidated fund, or explicitly relocated with clear, transparent legal documents. Mr. Speaker, Sir, to conclude, the COVID-19 pandemic was an unprecedented crisis. We commend the dedication of the Ministry of Finance and the frontline workers who kept food on tables during the hardest and darkest hours of our history, Mr. Speaker, Sir.

However, learning from mistakes is the hallmark of our matured democracy. By adopting this recommendation, Fiji will build a resilient governance system that grants speed and never again compromises accountability. I fully support the Committee report.

HON. S. NAND.- First and foremost, I would like to thank the other Members of the Standing Committee on Public Accounts and the Office of the Auditor-General for the diligence shown in producing this Compliance Audit Review Report. This Report examines two of the Government's most significant COVID-19 relief interventions:

- (1) the COVID-19 Cash Assistance Programme through which more than \$226 million was disbursed across five phases; and
- (2) the Food Ration Distribution Programme which delivered ration packs valued at \$1.69 million to households in lockdown and contaminated zones.

These programmes were delivered under emergency conditions to protect the livelihoods of Fijian families during an unprecedented national crisis. It is right that the Parliament now takes time to scrutinise how they were administered and to draw lessons that will strengthen our response to future emergencies.

Mr. Speaker, Sir, the Committee Review draws attention to several matters requiring the House concentration including:

- absence of documented reassessment and conflict of interest declarations for personnel managing the Cash Assistance Programme,
- 12,602 duplicate payments identified in round two valued at \$630,100 of which 62 payments totalling \$3,100 remain unrecovered,
- \$18.5 million retained by the service provider after the programme's completion without documentary evidence or formal authorisation,
- Weakness on the Food Ration and Distribution Programme including variance of 446 applications and packs distributed, 5,000 packs misallocated to Western Division, 71 duplicate names identified in the master list, and
- delays in delivery, with 11 percent of the packs delivered within three days, 253 packs delivered between 20 and 37 days after the isolation period.

Mr. Speaker, Sir, these are significant issues that have been undefined. As the Chairman of the Committee has advised that we have written to the Ministry of Finance for their feedback and the Ministry of Finance has provided evidence and documentation on how these unrecovered funds are going to be recovered and where the balance of the money is.

Mr. Speaker, Sir, these findings are significant and the Committee is right to record them plainly. At the same time the report is balanced. It confirms that the procurement for both programmes complied with the relevant regulations that corrective measures including improved verification and recovery of duplicate payments were introduced as the programme progressed. The Ministry of Finance has acknowledged these shortfalls.

Mr. Speaker, Sir, the Government accept the findings of this report in the constructive spirit in which they were intended to. The circumstances under which these programmes were delivered such as national lockdowns, contaminated zones, the urgent need to reach affected households, required rapid action, and at the same time operational weaknesses were inevitable consequence of that agency. However, the agency is not an excuse for the absence of documentation, verification and accountability. Government supports the Committee's recommendation in full including the requirement of document risk assessment and conflict of interest declaration, stronger reconciliation controls, clearer delivery timeframes and improved data verification system for any future emergency assistance programme.

The Ministry of Finance has already been directed by the Committee to provide written submissions addressing these findings and they have done so.

Mr. Speaker, Sir, apart from what the Report has highlighted we must bear in mind that these assistance were delivered in an unprecedented circumstance. The country was at a standstill and people were suffering. There were contamination zones, with limited staff and limited capacity, and yet a lot of assistance was delivered to our people.

Mr. Speaker, Sir, this Report is a valuable record of how Fiji responds to an extraordinary crisis and how we can do better and it is an honest account of where those responses fell short. These shortfalls can be addressed, and I believe the Minister of Finance the Permanent Secretary of Finance, are addressing these shortfalls.

Having said that, Mr. Speaker, Sir, I commend the Committee's Report, their hard work through which they have completed this Report and presented it to the House.

HON. J.R. VOCEA.- Mr. Speaker, Sir, I would like to thank all the speakers who have contributed to the discussions about this report, and I believe that all will agree that this was an unprecedented era in terms of how we assist those who have been in need.

Last week, the Public Accounts Committee was in the Western Division, and we had the opportunity to meet with all the heads of departments in the Western Division. An officer from the Auditor-General's Office was also invited to the meeting. The heads of departments strongly voiced their concern in the way they were picked for doing things that were a matter of life and death during such a situation. They would ask the officers from the Auditor-General's office as well as those who are running Government that if we can have some consideration for times like that.

I remember when we had cyclone Winston in 2016, I was in the Northern Division, and I was surprised when I went to our accounts section one evening. I saw an officer sitting inside, and I asked one of the ladies who he was, to which she replied that he was a staff from the Auditor-General's office. During the height of Winston and the calamities, they were there to provide instructions on how things should be done. Little did they care for the life and death of the people that were going to be served, especially those in the divisions. I hope the officer of the Auditor-General has taken note of the concerns from those in the Western Division.

However, the Committee remains concerned by deficiencies relating to risk management, documentation, verification processes, duplicate payments, record keeping, and delays in food rations distribution. These weaknesses highlight the need for stronger governance arrangements to ensure transparency, accountability, and effective service delivery during future emergency responses.

The Committee firmly believes that implementation of its recommendations will strengthen the public sector accountability, improve emergency response mechanisms, and enhance public

confidence in Government assistance programmes. I would like to thank the members of the Committee for their hardwork together with our Parliament Secretariat. With those remarks, I commend the Report to Parliament.

MR. SPEAKER.- The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

MR. SPEAKER.- I will now call upon the Chairperson of the Standing Committee on Public Accounts, to move the sixth motion for today.

**REVIEW REPORT –AUDITOR-GENERAL’S PERFORMANCE AUDIT REPORT ON THE
IMPLEMENTATION OF CLIMATE CHANGE ADAPTATION ACTIONS**

HON. J.R. VOCEA.- Mr. Speaker, I move:

That Parliament debates the Review Report on the Performance Audit on Implementation of Climate Change Adaptation Actions in Fiji which was tabled on 28th August, 2026.

HON. H. CHAND.- Mr. Speaker, Sir, I second the motion.

HON. J.R. VOCEA.- Mr. Speaker, Sir, the honourable Prime Minister, honourable Deputy Prime Ministers, honourable Leader of the Opposition, honourable Ministers, Assistant Ministers and honourable Members of Parliament.

As Chairperson of the Standing Committee on Public Accounts, I rise to speak in support of the Committee's Review Report on the Performance Audit on the Implementation of Climate Change Adaptation actions in Fiji. The review originates from a performance audit conducted by the Office of the Auditor-General as part of the Global Cooperative Audit on Climate Change Adaptation actions coordinated by the INTOSAI Development Initiative and the INTOSAI Working Group on Environmental Auditing. Fiji was among the 48 countries that participated in this important initiative aimed at assessing how governments are corresponding to the growing impacts of climate change.

The Committee reviewed the audit findings to determine whether the Climate Change Department within the Ministry of Environment and Climate Change has effective processes and procedures to plan, implement and monitor climate change adaptation actions in Fiji.

By way of background, climate change remains one of the most significant challenges Fiji is facing. Rising sea levels, coastal erosion, flooding and extreme weather events continue to threaten communities' infrastructure, livelihoods and economic development. Fiji's vulnerability to climate change has necessitated a coordinated national approach to adaptation and resilience building.

The audit focused on Fiji's National Adaptation Plan, commonly known as the NAP, which was launched in 2018 and serves as the country's overarching framework for adapting the climate change impacts. The audit assessed whether the National Adaptation Plan was properly planned, adequately reviewed, effectively implemented and appropriately monitored and reported on.

The Committee also conducted site visits to Village to Vunidogoloa Village in Cakaudrove,

Cogea Village in Wainunu, Bua and Nabavatu in Dreketi, Macuata to observe firsthand implementation of climate adaptation initiatives, particularly, community relocation projects undertaken as a response to climate-related risks.

These visits provided important insights into the readiness realities faced by the vulnerable communities and highlighted the urgent need for stronger coordination, improved planning and sustainable implementation of adaptation actions. Some of the key issues identified by the Committee:

- (1) Need for better coordination among state stakeholders;
- (2) Lack of transparency and stakeholder documentation;
- (3) Financing constraints;
- (4) Challenges in Village Relocation Projects;
- (5) Infrastructure and Livelihood Concerns.

In terms of challenges in Village Relocation Projects, the Committee observed serious difficulties affecting relocation projects, particularly in Cogea Village. These included funding shortages, poor stakeholders, coordination infrastructure deficiencies, delays in implementation, and concerns regarding the suitability of relocation sites. These challenges continue to place vulnerable communities at significant risk.

The Committee also explored and briefed by those in Vunidogoloa Village in Cakaudrove that the relocation project to their new site is still incomplete. They are also still waiting for the roads to be properly constructed, the church, playground, farmland, and a community hall.

As for Cogea, this project was funded from an NGO from Germany, Bread for the World, given to Fiji Council of Social Services (FCOSS) to a tune of \$2.7 million. During the time of our visit, we found that the project lacked transparency. There were a lot of delays in the project. The communities and villages in Cogea were complaining to the Members of the Public Accounts Committee that it was taking quite some time.

Mr. Speaker, Sir, FCOSS was the NGO that was given the money of \$2.7 million to undertake this project. They have talked on a few occasions, what they are waiting for right now is for FCOSS and the contractor to come out clearly on how much money they have utilised and how much money is left, so that both sides can sit together and the Ministry to try and take over the project. Those were some of the challenges that we saw on the ground. We could see that some of the projects were undertaken in isolation, like the one in Cogea. Sir, FCOSS just did the project on their own and never communicated. They did not want to engage Government or the Ministry of Rural and Maritime in terms of working together for this project.

The Committee also agreed to write to the Minister of Foreign Affairs, asking if he could assist by liaising with the NGO from Germany, so that they could come and conduct an audit or see the project in its current state and know what the best way forward is. Those are some of the issues that the Committee found in terms of the Audit Report that we looked through.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. Again, I have a list of speakers with me.

HON. I.B. SERUIRATU.- Mr. Speaker, Sir, first, let me thank the Committee for their work, findings and recommendations. Adaptation is a critical component of the work undertaken by respective parties or countries in order to save the population and look at the long-term requirements

in order to sustain them given the implications of climate change in their respective localities.

As we are all aware, we are already seeing many impacts of climate change and let me say that we also need to expect more to come. That is reality and the science is quite clear on this. In the Leaders Meeting in Palau lately, there was a closed session for the leaders on a presentation made by the United Nations Environment Programme (UNEP), on the science, and most worrying is its implications on Small Island Developing States, particularly PSIDs. We must, therefore, urgently adapt to make ourselves more resilient and limit the damage. Adaptation is the second line of defence in the climate crisis. The most important one is for us to reduce global warming through the reduction in global greenhouse emission, and that is the most important priority – to cut global emissions to net zero. It is clear that for us, particularly in the Pacific, mitigation and adaptation are both necessary throughout the pathway.

Fiji, very briefly, if I can touch on this, its National Adaptation Plan, as alluded to by the Chairman of the Committee, was initially launched in Katowice, in Poland during COP24 and it provides public, private and civil society stakeholders and development partners a list of prioritised adaptation needs across various sectors. This ensures that adaptation action and resources address the most pressing vulnerabilities and needs.

Again, Mr. Speaker, Sir, the findings of the Committee has highlighted some areas that need to be improved on. I was also watching the Town Hall session in Savusavu. The *Turaga ni Koro* from Vunidogoloa had raised some of their issues and he is correct. Vunidogoloa was relocated before we had the National Adaptation Plan or the relocation guideline. Because of the situation in Vunidogoloa, we initiated the relocation of Vunidogoloa, and as alluded to by the *Turaga ni Koro* in the *talanoa*, there are still a few things that needs to be completed. But the priority was to save them from what they were facing.

I recall the day I went to Vunidogoloa on king tide, and I felt sorry for the community. There was water all over the place and they were just watching from within the confines of their homes because it was all covered by seawater. There has been some work undertaken about their livelihoods. They were assisted with their bee farm, pineapple farm as well, and of course, a fishpond just to help them with their livelihood and food security while in the process of being relocated.

While I acknowledge what is in the Report, Mr. Speaker, Sir, and again a plan is better than no plan at all, it is the opportunity now for us to revisit the plans. What I would like to say is, what the scientists are saying, we need to take this seriously that adaptation needs to take account of the change in conditions.

As I have stated, Sir, let us expect the worst. There will be a super *El Nino*. There has been reports already, particularly in the European Union countries, Paris and London, that the recent summer is quite an experience for them. What is worrying, Mr. Speaker, Sir, in all this is what the scientists are referring to as the little heat that we will experience.

The body can only adapt to a certain of 35 degree centigrade or whatever, anything above that, and just like COVID, the elderlies in our communities are the most vulnerable. There has been a lot of deaths recorded in Europe because of the changing conditions. That gives us food for thought because there have been 160 areas prioritised in our National Adaptation Plan.

Let us take infrastructure as an example, Mr. Speaker, Sir. Geneva and most of the United Kingdom were not prepared for these hot conditions. They do not have air conditions. As a result, a lot of the people are dying simply because of the extra stress, as a result of the excess heat. That is

one typical example of the need to keep adapting in the changing conditions that we are going to experience.

In terms of infrastructure as well, to the honourable Minister for Waterways, we need to look at rising sea levels and the rainfall patterns because all this adds stress to the existing infrastructure that we have. So, adaptation must be planned according to the changing conditions and that for us as small economies, we all know the financial gap when it comes to financing adaptation and loss and damage, but we hope that through the partnerships, we should be able to finance most of this.

Let me go back again on the financing, Sir, particularly with the issue that we had with Cogea. What happens, Mr. Speaker, Sir, when we have declared States of Natural Disasters, partners including civil society, non-government organisations are free to make a bid to lending or financing partners and that is what happened with the Evacuation Centres that was funded by KOICA but bided by IOM, and likewise FCOSS bided for the funding to do the relocation of Vunidogoloa. And we know the teething issues, but I know for a fact that the recently reviewed and adopted Disaster Management Act is addressing this issue. They have to consult Government before they go into these arrangements, particularly that involves funding and other support when we have disasters. I just wanted to clarify that, Mr. Speaker, Sir.

Let me conclude by saying that it is real and we just need to plan for the future, particularly as small island developing states, because our biggest challenges now are one, habitability and in the worst case, we are also planning about internal displacement and forced migration. The Pacific Framework has already taken that into consideration as well, Sir, because if our adaptation will not meet the requirements, particularly for the communities, we will have no other option, but our people will be internally displaced or they will have to migrate and that is why we need to take attention to the science and how the situation is evolving.

HON. N.T. TUINACEVA.- Mr. Speaker, Sir, I would like to begin by acknowledging the work of the Office of the Auditor-General and the Standing Committee on Public Accounts in bringing this important report before Parliament. I support the six recommendations which provide practical measures for strengthening the implementation of Fiji's National Adaptation Plan.

However, as we debate frameworks, financing and governance, there is something we must never lose sight of, the people. At the heart of climate adaptation are our people. They are not just figures in a report or numbers in a funding proposal, their vulnerability must never simply become an opportunity through which funding is secured. These are our people whose homes, livelihoods, safety, dignity and futures are at stake. Our visit to Vunidogoloa, Cogea and Nabavatu brought this reality home. Vunidogoloa has benefited from relocations back in 2014, but challenges remain with roads, electricity, drainage, incomplete works and changes to traditional livelihoods. As we talk, the Government is working on this incomplete work and other issues reported to the Committee during our visit to Vunidogoloa.

In Cogea, I just want to thank the honourable Leader of the Opposition for putting some background into this project in terms of the involvement of the NGO at the beginning of this project way back in 2020. But the Committee saw this even more concerning situation in Cogea, the Report records funding shortages, poor coordination and infrastructure gaps. Despite an allocation of \$2.7 million in 2020 to a Fiji-based NGO for a project originally intended to deliver 30 houses, only two houses had been completed at the time covered by this Report. As mentioned by the Chairperson, there is discussion underway for the Ministry for Regional Development to take over and complete the project.

Nabavatu demonstrated encouraging progress with cyclone-resilient housing although challenges

remain, plans for this project were in place in 2021, but the projects actually kicked off in 2024, looking at completion of this project by December 2026. Mr. Speaker, these experiences reinforce why I particularly appreciate the recommendation for improved governance and coordination. It proposes consideration of the Cabinet’s Subcommittee or a Multi-Agency Taskforce to coordinate National Adaptation Plan Initiatives and importantly, an oversight framework requiring adaptation projects to be reviewed and approved by the Ministry for Environment and Climate Change and the Ministry for Regional and Maritime Development before deployment, irrespective of the funding source.

I believe this oversight is important. Before an adaptation project proceeds, we need confidence that it responds to the actual needs of the people. We need confidence that sites are safe, suitable and that implementing agencies have the skills capacity and resources to deliver. There must be meaningful consultations with communities, and we need mechanisms to follow the money and ensure adaptation funding is used for its intended purpose.

Improving people's lives must be the measure of success and not just securing funding proposals. We must avoid situations where a community's climate vulnerability helps secure adaptation funding, but the promised intervention is delayed, incomplete or fails to provide the protection and resilience for which that funding was intended. That is not good for our people. It can also undermine Fiji’s credibility with development partners and donors who support these important adaptation efforts. This is why government oversight role matters. The Report identifies weak coordination between government agencies, donors, contractors and communities together with funding constraints and incomplete commitments.

Mr. Speaker, Sir, the government exists to serve people. When communities face rising seas, flooding, coastal erosion and the prospect of living land on which generations of their families have lived, our responsibility becomes even greater. Adaptation cannot simply be about building houses or constructing seawalls or relocating villages. It must be people-centred adaptation, protecting lives while respecting livelihoods, culture, dignity and community. The Report itself recognises that relocation must provide fiscal safety while respecting the cultural and social needs of communities.

Mr. Speaker, Sir, as I have mentioned, I support the six recommendations before us but as we implement them, let us continually ask one question. Are the people whose vulnerabilities brought about this intervention actually better off before it? If they are, then our adaptation efforts are achieving their purposes. If they are not then we must identify what has gone wrong and correct it because behind every adaptation plan, every funding proposal and every climate projects are Fijian families whose lives and future depends on us getting this right. Let us never lose sight of them.

HON. S. NAND.- Mr. Speaker, Sir, I rise to commend this Report to the House. The review stems from the Performance Audit undertaken by the Office of the Auditor-General as Fiji’s contribution to the global Cooperative Audit on Climate Change Adaptation Actions, an initiative co-ordinated by INTOSAI Development Initiative and INTOSAI Working Group on Climate and Environmental Auditing bringing together 48 Supreme Audit Institutions worldwide.

Mr. Speaker, Sir, this is not an abstract policy exercise. The Committee travelled to the Northern Division to meet directly with the people of Vunidogoloa, Cogeia and Nabavatu whose homes, farms, livelihoods are being reshaped by the rising sea levels, coastal erosion and flooding. What we heard and what this Report sets out, is a sobering account for both progresses made and promises still owed to our people.

At Vunidogoloa, relocation has improved access to services, yet residents still contend with poor roads, unreliable electricity and unfinished works. At Nabavatu, construction of cyclone-

resistant housing is progressing well, with 37 of 85 identified households under construction, though 48 households remain pending relocation subject to geotechnical assessment. These two, Mr. Speaker, are the resettlement projects.

Our biggest concern is the standard. We see different household types and materials used in Vunidogoloa and a different standard set in Nabavatu. My question is, was the Vunidogoloa relocation done in accordance with the cyclone certification or have we just put our people in another location in haste? When we relocate our people, we must give them the dwellings that is resistant to cyclones. I do not think this was done in Vunidogoloa. Their homes are incomplete and the services still remains to be given to them. I had visited this village many times and the promises of electricity, solar et cetera still remain pending.

Mr. Speaker, Sir, Cogea Village deserves our attention. As alluded to earlier, out of \$2.7 million allocated in 2020, only two houses have been completed. A project originally intended to deliver 30 homes has been scaled back to approximately 16 homes, and hampered by funding shortfalls, a 70 percent advance payment that restricted cash flow was made to the contractor and he has not delivered. The Committee has described the resulting exposure to flooding landscapes and isolation in the starkest terms and holds the view that Government must step in to resolve these relocation issues once and for all.

Mr. Speaker, Sir, the project at Cogea was handled by an entity that did not have the expertise in relocation projects. When the funds are received by these entities and projects are not delivered, it is not the entity that is being undermined, the country as a whole is undermined and this will be looked at poorly by the funders and donors.

The audit confirms that the National Adaptation Plan was developed in line with international best practise, with technical support from the NAP Global Network and financing from the Government of Canada. Its intuitional legitimacy has not been questioned. What the audit found wanting are the enabling foundations needed to turn a sound plan into measurable outcomes:

- (1) The absence of a fully operational monitoring and evaluation system, despite a framework having been launched in 2020, leaving reporting fragmented and incomplete.
- (2) No defined indicators of success, making it impossible to track whether adaptation actions are achieving their intended impact.
- (3) Gaps in documented stakeholder acceptance, which leaves the transparency and inclusiveness of the planning process open to question.
- (4) In governance and financing, with roles and responsibilities among government not clearly defined, and coordination, both across ministries and between national and local levels that needs strengthening.

The Committee's recommendations are practical and time-bound in spirit, even where the report itself does not fix dates. They call on the Ministry for Environment and Climate Change, working with the Ministry of Rural and Maritime Development to strengthen documentation and transparency around stakeholder consultation, institutionalise the quality review process, and publish quality assurance reports, develop and operationalise a genuine monitoring and evaluation system with clear indicators, improve governance through consideration of a Cabinet Subcommittee or multi-agency taskforce, secure sustainable and diversified financing and prepare detailed, community-informed implementation plans for relocation and seawall projects. Mr. Speaker, Sir, we no longer can operate in our own cocoon, we can no longer operate in isolation. We need a better coordinated approach and a whole-of-government approach for any resettlement project.

Finally, I commend this Report to the House, not as a criticism of the work done already, but as a call to finish it and give our National Adaptation Plan the governance, the financing and the monitoring architecture it needs so that the people of Cogeia and other communities like them across Fiji are not left waiting for their resettlements. I commend this Report to the House.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I acknowledge the work of the Public Accounts Committee in producing this important Report. There are a lot of lessons to be learned from this particular Report.

For a small island developing state like Fiji, climate change adaptation and mitigation go hand in hand. Fiji is not a major contributor to global greenhouse gas emission, but we are among those who face the consequences most directly. Our communities experience cyclones, floods, coastal erosion, landslides, rising sea levels, and the loss of homes, infrastructure, agricultural land, and livelihoods. Just to remind all of us seated here, after *TC Winston* in 2016, Fiji experienced 14 cyclones, which included Category 5 and Category 4. That was in the year 2020 when Fiji was already dealing with COVID-19. And if you can recall, it was *TC Yasa* and *TC Harold*, and then in 2021, we had *TC Ana* and *TC Bina* and in 2022, we had *TC Cody*. The situation is such that when you have too many cyclones, obviously the revenue, the government's money is all spent in rebuilding lives.

Mr. Speaker, Sir, the important question raised by this Report is not whether Fiji recognises the threat of climate change. The question is whether the policies, laws, institution and public money that we have already put in place are actually producing results on the ground. We already have the policy and legal framework. We have the National Adaptation Plan, which we have heard from honourable Leader of the Opposition developed in 2018. Then later on, monitoring and evaluation framework was also introduced, and that was in the year 2020. We also have the Climate Change Act 2021, which provides an institutional and legal framework. We have the Climate Relocation of Communities Trust Fund established in 2019 to provide a dedicated financing mechanism for planned relocation.

Mr. Speaker, Sir, we also have the Planned Relocation Guidelines, the National Climate Finance Strategy and Revenue Mechanism. We all remember the word “ECAL” which was intended to support climate-related priorities but was removed in 2020 to assist in COVID recovery, but we need to have some sort of financing mechanism to generate revenue for such disasters.

Mr. Speaker, Sir, the problem is not the lack of policies and legislation. The architecture is there; the real issue is whether we are using it effectively, coherently and accountably. That is where the findings of the audit are particularly important. I believe the time has come for Government to review and update the National Adaptation Plan and related implementation plans. It should ask practical questions. Most importantly, what measurable difference has been made to the people most affected to climate change? Did these policies work? What needs to be changed?

The revised National Adaptation Plan should, therefore, become a practical implementation framework, with clear priorities, responsible agencies, timelines, financing arrangements, performance indicators, and reporting requirements. We do not need more policies sitting on the shelves; we need the policies that work for people.

Mr. Speaker, Sir, our climate policies must also operate as one system. The National Adaptation Plan should provide the strategic direction. The Climate Change Act should provide the institutional and legal framework. The Climate Relocation and Community Trust Fund should support appropriate funding for relocation. The Planned Relocation Guidelines should guide the

relocation process. The National Climate Finance Strategy should help mobilise resources. Of course, our national budget must provide the funding to turn these commitments into actual programmes. These instruments cannot operate in isolation. We cannot just talk about the National Adaptation Plan and not talk about the other policies that are in place.

Mr. Speaker, Sir, climate adaptation is also not the responsibility of one Ministry alone. We cannot just talk about the Ministry of Environment and Climate Change being the sole agency to look after such matters. There are several other institutions that need to be roped in, such as Rural and Maritime Development, Finance, Infrastructure, Agriculture, Health, Water, Energy, Local Government, and other agencies. They all need to come together. This is something I learned during my time as the Minister for Local Government. Whenever we had cyclones, all agencies had to come together, and that is how we tried to work out how we were going to help the communities, in which areas we were going to help, and what kind of assistance would be provided. Of course, if each Ministry works separately, implementation will remain fragmented, and that is what the Report highlighted. There must be clear leadership, defined responsibilities, and a system that allows Government to identify who is responsible for delivering each adaptation outcome.

Mr. Speaker, Sir, the experience of Cogea demonstrates why this matters. The Committee found that the relocation project was affected by funding shortages, stakeholder disputes, coordination problems, and infrastructure gaps. I think, above all, the money went to an agency that never had experience in dealing with such projects. So, what do we expect? If they do not have the experience, how will they deliver? That is why this project is showing us a total disaster.

Mr. Speaker, Sir, I believe that the relocation cannot be treated simply as a housing construction project. Whenever communities are displaced, we quickly start thinking, how can we just build a house for them. I think we need to go beyond that. When we relocate a community, we are moving more than houses. We are moving people, families, social networks, livelihoods, and a way of life. Therefore, building houses alone does not mean that relocation has succeeded. A properly relocated community must have access to basic services, and they must live with dignity. Climate adaptation must therefore be community-centred, not simply project-centred.

Mr. Speaker, Sir, the audit identified several weaknesses that cannot simply be dismissed as administrative matters. These include unclear roles between government agencies, weak coordination between ministries, insufficient funding, inadequate performance indicators, incomplete monitoring and evaluation, fragmented reporting, and inadequate documentation of stakeholder consultation and acceptance. If we do not clearly define what success looks like, how can we determine whether a programme has succeeded?

Mr. Speaker, Sir, we also need to change the way we approach adaptation. Climate resilience must be built into our development decisions from the outset. When government builds any infrastructure, climate risk must be considered at the planning and design stage. Normally, this is taken into consideration during the Environment Impact Assessment stage, but when it comes to community projects, somehow, because of scarcity of land, et cetera, we tend to allow people to build homes in flood-prone areas. If you look at some of the subdivisions in the Western side, those subdivisions were approved, and they are in flood-prone areas. When the flooding happens, communities are affected, and again, it becomes Government's problem. So, we need to work smartly so that we can address those issues at the start.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, sir, I note that the previous speakers have spoken extensively on this report, so I will confine my focus to one specific recommendation that we felt that the Standing Committee on Public Accounts needs to flag to this House, in keeping with

some pertinent observations that were made by honourable Premila Kumar.

In the audit that was conducted by the Auditor-General, what became apparent was, the lack of proper coordination between agencies, and the need to enhance this particular area in terms of strengthening how we address the challenges of relocation for our people. Under general Recommendation 4, there were several specific recommendations that the Public Accounts Committee thought that it would flag to the House, and to the honourable Prime Minister:

- (1) The formation of a Cabinet Subcommittee, or a multi-agency task force to be formed to coordinate all national adaptation initiatives.
- (2) Greater clarity is required in terms of roles and responsibilities amongst all the government actors.
- (3) Strengthen the leadership in those sectoral actions and coordination across ministries.
- (4) Develop the next National Adaptation Plan 2.0.
- (5) Develop an oversight framework that ensures that all projects continue to be reviewed and approved, particularly for the main agencies, which are the Ministry of Environment and Climate Change, and the Ministry of Rural Development, before we deploy any future projects, irrespective of funding sources.

Mr. Speaker, Sir, what happened in the case of Cogea, as correctly mentioned by the honourable Leader of the Opposition, that a certain NGO was given funding to carry out the planned relocation, but they had zero expertise in carrying out relocations. Speaking as a former member of the Standing Committee on Public Accounts, we need to ensure that before any projects, irrespective of the funding source, that it be filtered by the two core agencies, to ensure that there is surety of completion, or guaranteed completion of these projects.

Given the breadth of the contributions that have been provided by my colleagues on both sides of the House, I thought I would focus on what the Committee could do going forward to ensure that this issue of concerns of completion of housing, when it comes to climate change relocation. We know Mr. Speaker, Sir, that there are already 46 other locations that need to be relocated and hence it is the request of the Public Accounts Committee of which I am a former Member that perhaps that it requires oversight at Cabinet level with a multi-agency task force at senior level to ensure that we get our arms and hands around this issue properly so that we can execute some of these projects more successfully on both sides.

With those few words, Mr. Speaker, Sir, I thank you for this brief opportunity to make a very small contribution in addition to what has been said by the Members on both sides of the House.

HON. A.A. MAHARAJ.- Mr. Speaker, sir, I think the Members that have spoken before me, have spoken at length and most of the discussion that are been made are basically of the same nature that we need to be more vigilant when dealing with these communities.

One of the things while we are talking about relocation, we need to ensure that we are not just moving a house from one particular location to the other. But we are actually moving the livelihood of one community to another place. And it is not just the people that needs to move, animals and so forth. It has to move from one place to the other. It was fortunate for me to be part of the Public Accounts Committee when we visited Vunidogoloa over there during the discussion we had, this was not the first relocation that has taken place. This was the fourth one and finally, they are in a place where they can safely say that now they are safe, especially from the climate change effects they were under and the water flowing into their homes and in their compounds.

Some of the very good lessons learned. One of the discussions that is around in Parliament at the moment is one of the NGO being funded but we also need to realize Mr. Speaker, sir, that some of these funding that do not come to government agencies. It only goes to NGOs like for example, Fiji Council of Social Services (FCOSS) was given funding by a German NGO. I believe that was Bread of Life, that funded and we know that this particular organisation does not fund directly to a particular government agency for relocations.

We need to see and decide and make some policies as to how we can get Ministry of Rural Development because at the end of the day, they are the ones who make these houses for the communities that are being relocated. How can we get Ministry of Climate Change involved so that the funding is in abundance. When I used to represent Fiji in ACPEU, they used to pledge close to around \$7 billion to \$8 billion especially with regards to the mitigation of climate vulnerabilities that are actually happening globally but as Fiji, as Parliament, we have to tick in some boxes before we can start getting funding from ACPEU. And the other thing we need to get our SOPs right, so that what we have learned in Cogeia for a number of years, previous government was blamed for not helping people of Cogeia.

After the PAC Committee went and had their investigation, we found out the previous government had basically nothing to do with it. It was an NGO. They were provided funding, but for some reason, Ministry of Rural Development and FCOSS did not talk to each other. Had they actually spoken to each other, I believe by now they would have actually relocated close to around 30 households by now, because it is six years now.

For some reason only two households, are expected to still complete around 16. So, for another 16, they still need help and assistance as to how that is going to be done. And I thank the Committee Members who were part of it, because we also spoke to honourable Mosese Bulitavu as Minister, and he has sent his team to go and talk to the villagers of Cogeia to see the best interest of our villagers and in their best interest how we can actually relocate them to a safe place.

Rightfully picked by the honourable Deputy Prime Minister that there are a lot of communities that needs to be relocated and we need to have a consolidated effort in terms of whole of government approach in ensuring that these people's livelihood is safe moving forward. I commend the Report to Parliament.

HON. E.Y. IMMANUEL.- Mr. Speaker, Sir, I rise in support of the motion before the House on the Review Report on the Performance Audit on Implementation of Climate Change Adaptation Actions in Fiji. I wish to thank the Chairman of the Committee and Members of the Standing Committee of Public Accounts for this Report.

The Report raises a number of issues around planning, coordination, financing, implementation, and monitoring of climate change adaptation actions. I will focus my contribution on financing and public financial management aspects relevant to our Ministry. Mr. Speaker, Sir, we recognize that climate change requires sustained investment. At the same time, Government has competing priorities across all sectors.

The Audit Report highlights financing as one of the challenges affecting the implementation of adaptation actions. However, I would like to enlighten the House that through budgetary support, the Ministry of Environment and Climate Change to carry out its responsibility, we have budgeted around \$45.37 million from 2018 to this current financial year. And in that, we can see that from 2018 to around 2023, the budget was quite minimal, around \$1.2 million, \$1.6 million and \$1.7 million. This Government, because of the importance of climate change and environment, increased budgetary

allocation for the Ministry from 2024 from around \$7.6 million to now \$10.6 million. This is in addition to funding assistance that is normally received from partners, as well as trust funds within the Ministry.

Mr. Speaker, Sir, the Ministry for Finance is also progressing work to strengthen the way climate-related expenditure is captured and monitored through our budget and financial management system. Work is already underway on climate budget tagging through our revised budget system. It is important that ministries and agencies understand what qualifies as climate-related expenditure and how this would be reflected in FMIS. It will provide additional exposure to climate-related expenses on every ministry. We also continue to strengthen the assessment of public investment projects through the PSIP, including how climate risk and resilience can be considered when projects are assessed and prioritized.

Mr. Speaker, Sir, the audit also highlights the importance of institutional capacity. From the finance perspective, funding needs to be matched with the capacity to plan, procure, implement, and monitor activities and the weakness is what we heard today. The Audit Report also reinforces the need for clear responsibilities, proper monitoring and timely reporting. We will try to continue to work with the Ministry of Environment and Climate Change and now Ministry of Rural Development to ensure that the work progresses.

However, the Ministry of Environment and Climate Change has the lead role on climate change matters, while adaptation activities are implemented across government and I support the honourable Deputy Prime Minister’s recommendation to have a combined committee to look at adaptation projects. Our role in finance is to ensure that the budget and finance, together with the financial management system support this work and provide better information for decision-making. The Audit Report provides useful opportunity to strengthen the link between climate risk, planning, financing and implementation, hence, to ensure that limited public resources are directed to clear up priorities and demonstrate what those resources are achieving including climate change and environment space.

HON. J.R. VOCEA.- Mr. Speaker, Sir, I reiterate the sentiments raised by honourable Kamikamica, Minister of Finance and honourable Sachida Nand about the need to establishing the Cabinet Subcommittee on Multi-Agency Task Force to coordinate national adaptation plans such as this. This is a living testimony where one organisation wants to do a project on its own. We can clearly see according to this Report that it will not work, irrespective if the money comes from NGOs or from government, there must be a standardized mechanism, policies and SOPs in place for such projects to be carried out. The Committee is particularly concerned about the prolonged delays affecting vulnerable communities such as those in Cogeia Village and urge government agencies to work collaboratively to address these issues as a matter of priority.

The Committee firmly believes that implementing the recommendations contained in this Report will strengthen accountability, improve coordination, enhance resilience and ensure that climate adaptation investments deliver meaningful and sustainable outcome for the people of Fiji.

On that note, Mr. Speaker, Sir, I would like to thank the Members of the Committee on Public Accounts, secretariat and those who have contributed to this motion before the House. With those remarks, I commend this Report to Parliament.

MR. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

REVIEW REPORT ON THE OFFICE OF THE AUDITOR-GENERAL 2022 ANNUAL REPORT

HON. J.R. VOCEA.- Mr. Speaker, I move:

That Parliament debates the Review Report on the Office of the Auditor-General's Annual Report 2022, which was tabled on 20th August, 2026.

HON. H. CHAND.- Mr. Speaker, Sir, I second the motion.

HON. J.R. VOCEA.- Mr. Speaker Sir, the honourable Prime Minister, honourable Deputy Prime Ministers, honourable Cabinet Ministers, honourable Assistant Ministers, honourable Leader of the Opposition, and honourable Members of Parliament, as Chairperson of the Standing Committee on Public Accounts, I rise to speak in support of the motion on Committee's Review of the Office of the Auditor-General's Annual Report 2022.

The Committee undertook a comprehensive examination of the Office's performance during the 2022 financial year in accordance with its parliamentary oversight responsibilities. The review focused on the effectiveness, efficiency, governance, accountability and overall performance of the Office in carrying out its constitutional mandate. Based on the Committee's deliberations and evidence provided, the Committee now presents its observations and recommendations for the consideration of Parliament.

Mr. Speaker, Sir, the Office of the Auditor-General is an independent constitutional office responsible for auditing the public accounts of the state and reporting its findings to Parliament. The Office plays a critical role in promoting transparency, accountability, and good governance across all public sectors through financial audits, compliance audits and performance audits of Government ministries, departments, statutory bodies, and public enterprises.

The Committee notes that the reporting period covered by the annual report was a challenging one. The Office continued to manage the impact of the COVID-19 pandemic, including:

- Operational disruptions;
- Challenges associated with remote working arrangements;
- Delay in obtaining audit evidence; and
- Late submission of financial statements by various public entities.

The Committee also noted that the Office operated during a period of leadership transition, with the position of Auditor-General held in an acting capacity. Despite these challenges, the Office continued to carry out its constitutional duties and demonstrated resilience through the adoption of technology, strengthening of internal systems, and maintaining audit operations.

The Committee further acknowledges the Office's continued commitment to accountability by reporting against strategic objectives, performance indicators, and operational targets. Following its review of the annual report, the Committee identified several key issues and findings:

- (1) Improvement in audit completion rates;
- (2) Persistent audit backlogs and delayed financial reporting;
- (3) Governance and system weaknesses across public entities;
- (4) Sound financial management by the office;
- (5) Progress in digital transformation; and
- (6) Workforce challenges.

In terms of the recommendations, having considered the findings contained in this annual report, the Committee makes the following recommendations for Parliament's consideration, that:

- (1) All public entities strengthen their governance, risk management, and accountability framework to ensure effective stewardship of public resources.
- (2) Ministries, Departments, statutory bodies, and public enterprises improve the timeliness and quality of their financial reporting to reduce audit backlogs and facilitate timely audits.
- (3) Public entities establish and maintain effective monitoring, evaluation, and data management systems to support evidence-based decision-making and improve accountability.
- (4) Management of audited entities ensure timely implementation of audit recommendations and regularly report progress to relevant oversight authorities.
- (5) The Office of the Auditor-General continue investing in digital technologies, audit innovation, and staff training to enhance audit effectiveness and operational efficiency.
- (6) The Office strengthens recruitment, retention, and professional development initiatives to address workforce capacity challenges and sustain institutional performance.

Mr. Speaker, Sir, I commend this Report to the House.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion, and I have a list of speakers.

HON. H. CHAND.- Mr. Speaker, Sir, before I contribute to the motion, I would like to offer my sincere condolences to the family and friends of the late honourable Inosi Kuridrani. I also extend my deepest condolences to the family of the late honourable Agni Deo Singh. May their souls rest in peace and may their families and loved ones find strength and comfort during this difficult time.

Mr. Speaker, Sir, I rise to contribute to the motion on the Review Report on the Office of the Auditor-General Annual Report 2022. At the outset, I wish to acknowledge the important constitutional role performed by the Office of the Auditor-General. It is fundamental to Parliamentary oversight because we are dealing with public money. Every dollar collected from our taxpayers and every dollar spent by Government must be properly accounted for.

The Committee Report records some positive achievements by the Office. In 2022, the Office of the Auditor-General completed 175 financial audits, representing a 72 percent completion rate. However, this remained below its target of 80 percent. The Office also completed 86 backlog audits, representing 69 percent of the planned backlog audits.

Mr. Speaker, Sir, while we recognise the progress, we cannot overlook the continuing problem of audit backlogs. The Committee specifically found that delays in the submission of financial statements by public entities continued to be a major challenge and that a significant number of audits remained either in progress or had not commenced. Importantly, the Committee recognised that these delays affect the ability of Parliament to exercise effective oversight. This is precisely why timeliness must now become a central focus of the Office of the Auditor-General and of every entity that it audits.

The new Audit Act 2025 is important in this respect. It provides a more modern legislative framework for the Office and greater clarity around its functions and reporting obligations. In particular, the timelines for the submission and publication of audit reports should now be treated seriously. Parliament cannot effectively scrutinize expenditure if reports arrive years after the money has already been spent.

Mr. Speaker, Sir, another area which I believe deserves greater attention is stakeholder engagement. The Committee itself identified strengthening stakeholder engagement and communication as an area requiring further work. The public must understand that the Office of the Auditor-General is not simply an institution that produces technical reports for accountants and Members of Parliament. Its work directly concerns the services people receive from government and whether taxpayers are receiving value for their money. I, therefore, encourage the Office of the Auditor-General to undertake greater engagement with government entities, statutory organisations, communities and other stakeholders so that there is better understanding of its role, responsibilities and findings.

This engagement should not be concentrated only in Suva. Mr. Speaker, Sir, as members of the Public Accounts Committee, when we undertake site visits outside the main centres, we see circumstances which cannot always be fully appreciated by simply examining documents in an office. The Office of the Auditor-General should therefore continue to strengthen its physical presence through site inspections and visits to outer stations and divisions. Auditors need, where appropriate, to see the infrastructure and services that public money has paid for and understand the practical challenges faced by government entities outside Suva.

Mr. Speaker, Sir, I also believe that we need to see more performance audits. Financial audit tells us whether the accounts are reliable and whether money has been properly recorded, but Parliament and taxpayers also need to know whether Government programmes are actually delivering what they are supposed to deliver.

The Committee Report itself recognises the importance of performance and compliance audits in examining whether public sector activities are achieving their intended outcomes and delivering value for money. I would particularly encourage greater performance audit coverage of education, health, roads, and water. These are sectors where Government spends substantial public resources and where the quality of services directly affects ordinary Fijians. We should be asking three very simple questions – Are we getting what we paid for? Are the resources being used efficiently? Are Government programmes actually achieving their intended outcomes?

Mr. Speaker, Sir, another area which requires increasing attention is information technology auditing. Government is becoming increasingly dependent upon large digital systems for accounting, payroll, revenue collection, procurement, and service delivery. With that dependence comes considerable risk.

The Committee Report itself recommends further investment in automation and integrated audit systems to improve risk identification and audit procedures, but the same principle must extend to the systems being used across Government. For example, where Government introduces a new whole-of-government accounting system, there should be appropriate IT audit work examining system controls, data integrity, access controls, reliability, and whether the system is functioning as intended.

The same applies to major Government payroll systems. The Ministry of Education, for example, administers a very large payroll where teachers experience salary or payroll difficulties, it demonstrates why strong system controls and independent IT assurance are important. An IT audit should not merely determine whether a computer system operates. It should examine whether that system can be relied upon to protect public money and deliver accurate outcomes.

Mr. Speaker, Sir, the Committee also identified weaknesses in data management and the absence of centralised information systems in parts of the public sector.

Mr. Speaker, Sir, I also want to emphasise the implementation of audit recommendations. There is little value in repeatedly identifying the same weaknesses year after year if corrective actions does not follow. The Committee recommends follow-up reviews, progress reporting, and accountability mechanisms to ensure that audit recommendations are actually implemented.

The Office of the Auditor-General should therefore continue strengthening its mechanisms for tracking outstanding recommendations, particularly recommendations that remain unresolved over several audit cycles. Parliament should be able to clearly see what was recommended, what has been implemented, and what remains outstanding and why. As Government operations become increasingly complex and technology-driven, the Auditor-General will require people with specialised capabilities in areas such as IT systems, procurement, infrastructure, and performance auditing.

Mr. Speaker, Sir, the new Audit Act 2025 provides an opportunity to strengthen and modernise the audit framework, but legislation by itself will not strengthen accountability. What matters now is the implementation. We need timely audits, stronger stakeholder engagement, greater presence outside Suva, more performance audits in critical sectors, stronger IT auditing, proper follow-up on recommendations, and sufficient professional capacity within the Office.

Mr. Speaker, Sir, the Office of the Auditor-General is auditing people's money, and Parliament has a responsibility to ensure that every dollar is properly accounted for and, equally important, that the people of Fiji receive value from it. Mr. Speaker, Sir, I support the motion.

HON. E.Y. IMMANUEL.- Mr. Speaker, Sir, I rise to respond to the Standing Committee on Public Accounts Report on the Auditor-General's Annual Report 2022 and to acknowledge the invaluable work of the Committee as well as the strategic direction of the Office of the Auditor-General. At the outset, I wish to commend the Auditor-General and her team for their continued commitment to promoting transparency, accountability and good governance across the public sector.

Mr. Speaker, Sir, the Committee made four recommendations, and I am pleased to report that the Office of the Auditor-General has already taken significant steps to address them. Please allow me to elaborate further:

- (1) Improving the implementation of audit recommendations: The Office is strengthening the monitoring of audit recommendations through the development of a web-based audit recommendation tracking tool in partnership with the UNDP. This system will enable recommendations to be tracked from issuance through to the implementation, thereby improving accountability and providing greater visibility on outstanding matters. In addition, the Office of the Auditor-General continues to undertake follow-up audits and then table reports to Parliament to monitor the progress made by entities in addressing those audit findings.
- (2) Improving timeliness and quality of financial reporting: Mr. Speaker, Sir, the Committee also highlighted the need for public entities to improve the timeliness and quality of financial reporting. To support public entities in meeting their financial reporting obligation, the Office of the Auditor-General has expanded stakeholder engagement and capacity-building initiatives. This includes financial reporting training for municipal and provincial councils, also presentations under the Permanent Secretary Induction Programme, as well as targeted engagement with entities experiencing reporting difficulties. These efforts are aimed at improving the quality and timeliness of financial statements, reducing audit backlogs, and strengthening compliance with statutory reporting requirements.

- (3) Enhancing the use of technology in audit processes: The Committee has rightly recognised the transformative role technology can play in modern auditing, and the Office of the Auditor-General continues to advance its digital transformation agenda. In 2024, it successfully rolled out TeamMate Analytics, a modern audit and data analytics tool that enhances the ability of auditors to analyse large data sets, identify risk, and conduct more efficient and evidence-based audits. The Office is also expanding its IT audit capability and working towards greater access to government data systems to improve audit efficiency and strengthen compliance with the Audit Act and the financial management legislation. The Audit Recommendation Tracking Tool will further support real-time monitoring of audit outcomes and implementation progress.
- (4) Strengthen the workforce capacity and retention: The Office has implemented a range of strategic initiatives to strengthen the workforce capacity and improve staff retention. The Office has undertaken a job evaluation exercise to better align its workforce with organisational needs and plans to progressively implement the approved outcomes within available resource. The Office has also continued to invest in staff development. The Office of the Auditor-General is a cornerstone institution with Fiji's accountability framework. The recommendations made by the Standing Committee and the responses provided by the Auditor-General demonstrate a shared commitment to strengthening governance, improving financial management, enhancing transparency, and fostering greater accountability across the public sector.

Moving forward, success will depend not only on the work of the Office of the Auditor-General, but also on the commitment of all ministries, departments, statutory bodies, and public entities to uphold sound governance practises and act decisively on audit findings and recommendations. With those remarks, I support the Report findings and recommendations.

With those remarks, Mr. Speaker, Sir, I support the Report findings and recommendations.

HON. J. USAMATE.- I first of all thank the Committee for the excellent work that it has done on reviewing the Report of the Auditor-General's Annual Report for 2022. The Office of the Auditor-General is obviously a very important office, especially for government, because it has a very key role in making sure that public funds that are made available to entities are safeguarded, and to ensure that those funds are used well in the manner in which they are supposed to be used.

For us as parliamentarians, one of our key roles is to make sure that government and government entities are accountable for what resources they are given and that they can make continuous improvements on how well they make use of the funds that they are given. I think for us in Parliament, the Auditor-General's Office is very important for us, especially so in terms of the oversight role that we have because they are always looking at how well the funds are used relative to the relevant laws that need to be applied there, the relevant policies and regulations.

Mr. Speaker, Sir, I think a lot of people have talked about the various recommendations. One of the particular things that I would like to focus perhaps a bit more time on is, when I was looking at the overview of this Report, one of the statements that got my attention was that there was obvious in the Auditor-General's Office, the integration of planning and reporting, which reflects a commitment to practicing what is preached.

A lot of times when you look at organisations, when you look at their plan, what they have in their plan about what they intend to achieve and target, and then you look at their annual report, it is just a description of what they have done. So, it is then hard to link between what they had intended to achieve, not to do, but to achieve, and to see how well they have achieved that. So, this particular

statement is very important for us, because I think for us as parliamentarians, we need to make sure that state entities that get funds are able to accomplish what they set out to do. I think this is something I particularly appreciated from this particular Report.

They actually had a target on page 12 of their Report, where they had the Office of the Auditor-General's Strategic Plan KPIs, targets versus achievements. They list out the various priorities they have, the KPI or the targets under each of those strategic priorities and they are actually reporting on the KPIs in the Report. This is a very good way in which you tie up what you plan to do and how you achieve in terms of outputs and incomes. And when I look at the way that they are presenting this Report, for instance, they are talking about independent value adding audit services, there were KPI and targets and the statement is six out of seven reports submitted, 86 percent completion.

That is what we need. How much is it that you achieved? Another one, financial audit completion rate, 72 percent completion rate. Another one, timelines and audit back line, 69 percent. So, they have the status of partial achieved, achieved and so forth. I think this is a kind of model that needs to be applied not only to state entities but to all entities where you can specifically identify in your plans what it is that you hope to achieve, identify the KPIs when you get to your Annual Reports, report specifically on those KPIs. Do not just tell long stories, we did this, we did that, we did that. To what end? All those activities must lead to outputs; outputs must lead to outcomes, even though outcomes are much harder to measure.

I think this is a good step. I would think that in order to be able to manage an entity over time, what you need to be able to do is to have the same metrics and apply them over a period so you can see trends. I think this is a good example to be used. Having this step, then using the same sort of approach over time so you can see trends. And the third step after that, would be that if you are finding that your trend is good over time, you do not be satisfied with that, you compare yourself with the best in the region, best in other countries around the world.

Finally, Mr. Speaker, Sir, the last thing that I would like to see, which I have done in previous organisations, and also able to do in some of the ministries that I had the opportunity of working with, is to weigh all of your strategic priorities, weigh your KPI targets, do some rating so that you can get a score of how well you have done overall for that particular year.

I think if we can get to that level of tying up performance assessments between plans and what you achieve, you go a long way to managing performance. One of the things that I find, since the last few years I have been working in government, managing performance is a very difficult task in Government. There is a lot of talk about what we do rather than what we achieve. That is something, Mr. Speaker, Sir, I particularly appreciated from this particular Report and what Government has done. I think the Committee has actually pointed them out as an exemplar that other state institutes or organisations can use as an exemplar, as a benchmark of something that they can work on. I completely endorse that, Mr. Speaker.

Looking also at this table that they have, one of their strategic priority areas that they have outlined was engagement with clients and other stakeholders, and in one of the KPIs that they have, increased awareness and visibility, they had a number of achievements. In the achievement, they had the FNU partnership maintained, the National School Drawing Competition conducted, and also the Fiji Business Excellence Award participation.

Earlier on in this Parliament, I have been recommending to the honourable Prime Minister to re-look at government entities making use of the service excellence programme that we had in the past, because it teaches this kind of thing, the kind of thing that I am talking about.

Strategic management of organisation. Tying up all the different elements so that you move the organisation on the way forward. The Fiji Business Excellence Awards framework is exactly the same as what you used to have in government called the Service Awards Excellence Framework. Based on the Malcolm Baldrige criteria, applied and proven all over the world on the way forward. This is a living example. When you put people through this process, you will see the results because your staff get trained in the process, you get your high potential staff, you throw them into this process, they learn to become evaluators, they learn that to apply in the organisation that they work for or other places that they move on.

I thought I would spend most of my time there on that particular issue, because it has been something I keep harping on and on about, and I hope it is getting through. Maybe the Government has some other plans, but I am talking about something that I have seen that has worked for government in the past and has worked for private sector in Fiji. When they had the Fiji Business Excellence Awards, the target was world-class organisations in Fiji. If we apply that to the Civil Service, which is what they did in Singapore, Singapore used the same framework, they talked about a world-class civil service. You do that with systems that are holistic, that allow you to get everyone on board, Mr. Speaker, Sir.

I am running out of time. Other stuff that I wanted to talk about, I probably do not have much time to talk about. General recommendation - Strengthen workforce capacity and retention strategies. Addressing staffing turnover is critical. A lot of migration in competitive job markets, and that is a reality. It talks about recruitment strategies to attract qualified professionals; that is a big challenge. Workplace well-being and flexible work arrangement should be promoted to improve employee satisfaction and productivity. I think all of us agree with all of these. I think it has to be an approach from the whole of the Public Service, rather than just the Office of the Auditor-General. I do not know whether they listen to the public, it must be something that is embedded into the Public Service as a whole. That is something that PSC may need to look at that.

Looking at the conclusion of the Report, Mr. Speaker, Sir, the Committee acknowledges the Office of the Auditor-General for practicing what it preaches by aligning its performance reporting with strategic planning and measurable KPIs. That is the beginning, that one sentence, if you can make it a reality for all government agencies, I am not saying that we did it in the past. I do not know what the honourable Acting Attorney-General is talking about. So, what I am saying is, if we can make that one statement, Mr. Speaker, where is the statement?

Now, I am missing it. Listen carefully, this is very important, by aligning its performance reporting with strategic planning and measurable KPIs. If we can do that in all of our entities, that is a big step forward. You get the right PSs in place not some of you former cronies, failed the elections make them PS. None of that hullabaloo. If we do that, Mr. Speaker, Sir, we will make a lot of progress to building a stronger civil service. I completely endorse and I hope the honourable Prime Minister is listening, he will take up these things and push it into the Public Service.

MR. SPEAKER.- Now, I understand why you really wanted the 10 minutes.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the 2022 financial year was far from an ordinary from the Office of Auditor-General's perspective. It was a period tested by lingering shadows of COVID-19 pandemic, restricted physical access to audit records, extended remote working arrangements and transitional leadership challenges. Despite these heavy roadblocks, the Office of Auditor-General demonstrated remarkable institutional resilience.

The Committee rightfully noted and praised the Office of Auditor-General for practising what they preach by aligning its performance outcomes with the Strategic Plan of 2021 to 2025, and reporting transparently against Key Performance Indicators, the Office sets the gold standard that

other State-Owned Entities and Government Ministries should emulate.

I note with encouragement that the Office recorded a significant performance boost completing 175 financial audits, achieving 72 percent completion rate and successfully delivering 86 backlog audits. The transition from TeamMate to TeamMate+, the implementation of web-based audit platform and the reinforcement of IT infrastructure have proven vital in delivering flexibility and productivity.

Mr. Speaker, Sir, while the Office of the Auditor-General's internal financial management is exemplary reflected in its clean, unqualified audit opinion and an effective budget utilisation rate of approximately 93 percent, the broader public sector landscape reveals persistent structural vulnerabilities that demands our urgent attention.

The Report highlights that late or incomplete submission of financial statements by public entities continue to cripple timely audit reporting. This is unacceptable. Public bodies must recognise that accountability is not optional. It needs stricter enforcement of statutory deadlines and enhanced accounting capabilities across all government agencies.

Mr. Speaker, Sir, performance audits exposed critical weaknesses across certain sectors including inadequate monitoring and evaluation system, fragmented data management and operational insufficiencies. Public entities must adopt centralised information system and robust internal controls to mitigate risks of mismanagement.

Workforce retention and capacity, brain-drain migration and competitive job markets have heavily impacted the Office of Auditor-General's workforce. If we expect the Office of the Auditor-General to protect public funds effectively, we must invest in retaining top-tier talents through competitive remuneration, continuous professional development and strong career progression paths.

Mr. Speaker, one thing that I would like to mention, moving towards singular entity reports, this brings me to a critical structural recommendation that I wish to emphasize strongly during this debate. The Office of Auditor-General should transition towards presenting singular entity reports rather than heavily consolidated reports. Currently, when reports are bundled or consolidated parliamentary debate tends to generalize systematic failure, allowing individual underperforming entities to hide behind aggregate figures, a consolidated format defuses accountability.

Target and specific focus, by presenting distinct, singular reports from major ministries, departments and public enterprises, Parliament and the Standing Committee on Public Accounts can place razor-sharp focus on specific operational failures, financial leakages and non-compliance.

Driving direct accountability, when a specific entity stands alone in an audit report, its CEOs and the board cannot deflect responsibility. It forces a direct line of sight between the findings of the Office of the Auditor-General and the corrective actions required by that specific institution. Empowering oversight, singular reporting will greatly enhance the depth of parliamentary scrutiny, making our debates more substantive, evidence-based and actionable for the people of Fiji whom we serve.

Mr. Speaker, Sir, to conclude, the 2022 Annual Report of the Office of Auditor-General is a mirror reflection both our administrative strength and our systemic shortcomings. We must support the Office of Auditor-General not just through words, but enforcing its recommendations, strengthening public sector discipline and reforming our reporting structure to demand absolute transparency. I urge this House to support the findings and recommendations of the Standing Committee Report, and I commend this motion to Parliament.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, Sir, I rise to briefly contribute to the Standing Committee on Public Accounts Report on the Auditor-General's financials for the year 2022. To be honest, honourable Usamate somewhat stole my thunder in terms of where I thought I would focus my contribution. Perhaps given my short stint in the Public Accounts Committee, I just thought I would make some very general comments firstly for the benefit of the House.

I have to say, Mr. Speaker, that as a government, we are very lucky to have two institutions that are professionally run. We just discussed one, which is the Fiji Revenue and Customs Service, and we obviously saw the quality of what they produce. The second that I discovered, particularly given my chartered accounting background, not much to my surprise, but my pleasure, was the level of expertise and knowledge now embedded within our Auditor-General.

You just have to look at their Annual Report for 2022, in the context of a few years of COVID, they were actually in transition in their leadership, and yet they were still able to come up with a very good report. I recall when we looked at it as the Public Accounts Committee, we felt this was the gold standard for public reporting in the country. The primary reason for that was as alluded to by honourable Usamate, the linkages between Key Performance Indicators (KPIs) and the actual performance. Normally what happens is, we have the KPIs set in a nice, glossy strategic plan, and then that strategic plan somewhat gets hidden somewhere and then the annual report very rarely creates the linkage between the two.

I am with the Public Accounts Committee and with honourable Usamate as well, in sort of supporting the idea that going forward, it is the hope of this Government and the Public Accounts Committee that greater rigour and focus will be placed on annual reports that link their KPIs or strategic plans directly to how they have performed during the year, as has the Auditor-General done in this instance.

On behalf of all of us in this House, I thought it might be appropriate to acknowledge Ms. Finau Nagera and her leadership team who have continued the good work that we saw in 2022 and continues to this date. In fact, I will say that the Auditor-General is almost on par with the international chartered accounting firms, when looking at what they produce for us in the Public Accounts Committee, and certainly how they have delivered the quality of their inputs.

Mr. Speaker, Sir, I thought I just touch on one more item, and that was the use of technology that is now being adopted by the Auditor-General. It does augur well for what the Auditor-General is attempting to do in the years to come. The use of web-based tools to actually do remote audits that will allow the Auditor-General to perform audits from remote areas and not sit in the office and then get the files, as has been the case in the past.

When you have auditors out on the field doing the real work, what you have is a much more quality-based outcome. Because they are there on the goal face, they interact with the people involved and get a better understanding. I thought I would just congratulate the Auditor-General for the continued investment in IT technology because it will certainly position the Auditor-General well in the years to come, as we have tried to improve the financial accountability and governance amongst all the other institutions and bodies that come under the Government of Fiji.

With those few words, Mr. Speaker, Sir, I would like to again support the contributions, the very high-quality contributions made by each member of both sides of the House and support the report that has been tabled by the Public Accounts Committee.

HON. J.R. VOCEA.- Mr. Speaker, Sir, the Committee acknowledges the important role played by the Office of the Auditor-General in strengthening accountability, transparency and good

governance towards the public sector.

The Committee also commends the Office for its resilience and achievements during a challenging reporting period, particularly its progress in reducing audit backlogs, strengthening internal controls, and advancing digital transformation initiatives. Notwithstanding these achievements, the Committee emphasises the need for continued efforts to address delayed financial reporting, audit backlogs, governance, weaknesses across public entities and workforce capacity constraints.

The Committee is confident that the implementation of its recommendations will contribute to stronger public financial management, improved governance practices and enhanced accountability throughout government. With those few words, Mr. Speaker, Sir, I commend this report to Parliament and thank you for the opportunity to speak on the motion.

MR. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

REVIEW REPORT ON THE MINISTRY OF SUGAR INDUSTRY 2020-2021 ANNUAL REPORT

HON. L.S. QEREQERETABUA.- Mr. Speaker, I move:

That Parliament debates the Review Report on the Ministry of Sugar Industry 2020-2021 Annual Report, which was tabled here on 20th August, 2026.

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

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, I rise to speak on the Review Report. The Committee's review went beyond examining the Ministry's performance during the reporting period. Through the public submission and site visits to the Labasa Mill and key sugar industry stakeholders in the Western Division, the Committee examined the broader structural and operational challenges affecting growers, mill workers and institutions across Fiji's sugar industry.

Mr. Speaker, Sir, the sugar industry remains important to Fiji's economy and rural communities, directly and indirectly supporting more than 200,000 Fijians. However, the Committee's review identified significant challenges that require coordinated and sustained attention. One of the Committee's principal concerns is the continued decline in cane production. Production fell from 1.7 million tonnes in 2020 to 1.4 million tonnes in 2021, despite significant Government investment.

During the reporting period, the Ministry was allocated \$50.9 million for seven capital programmes, including the Sugar Stabilisation Fund, fertiliser subsidies, cane cartage, and cane access roads. The Committee found that declining production reflects deeper structural challenges, including fewer active farmers, labour shortages, ageing infrastructure, climate impacts, and low farm productivity.

The Committee also found that the ageing farmer population and the limited participation of younger generations pose a significant long-term challenge. Evidence from the site visit showed a substantial decline in grower participation, while labour shortages continue to increase harvesting

costs and place additional pressure on farmers.

Another important finding relates to farm productivity. The Committee heard that approximately 80 percent of farms tested in Vanua Levu and 40 percent to 50 percent in Viti Levu were highly acidic. Fiji's average sugarcane yield was reportedly at 40 to 50 tonnes per hectare, compared with 80 to 100 tonnes per hectare in comparable countries. Better soil management, replanting, appropriate fertiliser application, and improved farming practices are therefore critical, Sir.

The Committee also observed first-hand the challenges posed by ageing mill infrastructure. At Rarawai Mill, boilers commissioned in 1945 and 1979 remain in operation. Ageing infrastructure combined with insufficient cane supply contributes to maintenance challenges, mill stoppages, and higher operating costs. Land tenure, transportation costs, and the cane payment system were also raised as concerns.

Uncertainty over agricultural lease renewals can discourage long-term investment, while rising labour, fuel, transportation, and fertiliser costs continue to place financial pressure on growers. The Committee also heard that the current instalment-based cane payment system creates cash flow difficulties for farmers. Climate change adds yet another layer of vulnerability. During the reporting period, *TC Yasa* caused an estimated \$27 million in damage to the sugar sector, and *TC Ana* caused a further \$24 million in losses. This reinforces the need for industry to move beyond disaster recovery towards stronger climate adaptation and resilience.

Mr. Speaker, Sir, arising from these findings, the Committee has made 14 recommendations, and I will highlight right now the key areas.

- The Committee recommends a comprehensive strategy to reverse the decline in cane production and grower participation, with measurable targets for production, land under cultivation, grower retention, succession planning, and attracting younger people into commercial cane farming. It also recommends a coordinated labour and mechanism programme, including appropriate solutions for farmers operating on hilly terrain.
- The Committee recommends stronger investment in farm productivity, research, and extension services through soil testing, improved fertiliser application, replanting, pest and disease management, and greater adoption of improved cane varieties. Government should also provide sustained funding to the Sugar Research Institute of Fiji to strengthen research capacity and develop more climate-resilient varieties.
- The Committee further recommends attention to agricultural lease renewals and the protection and productive use of agricultural land, together with a medium to long-term capital investment programme to progressively rehabilitate and replace ageing infrastructure across Fiji sugar mills.
- The Committee also recommends a comprehensive review of cane transportation and logistics, including the rail and road networks, to reduce delivery delays and transportation costs. Importantly, the existing cane payment system should be reviewed to improve the timeliness and predictability of payments, while a mechanism that appropriately rewards both cane quality and sugar content should be considered. Affordable access to fertiliser must continue, accompanied by stronger monitoring, diversified international sourcing, and contingency planning to protect Fiji from international supply chain disruptions.

- The Committee also recommends strengthening grower representation and industry governance, including the implementation of the electoral arrangements under the Sugar Industry (Amendment) Act 2025, and providing the Sugar Industry Tribunal with adequate resources and an independent and secure digital system for the growers' register.
- The Committee has made recommendations concerning the people who keep this industry operating. FSC should review workforce development, remuneration, apprenticeships, and employee welfare, while minimum welfare standards should also be established for cane lorry drivers, including sanitation, drinking water, shelter, seating, and improved communication during mill breakdowns.

Mr. Speaker, Sir, the challenges facing the sugar industry are interconnected. Declining cane production cannot be addressed without considering farmer numbers, land tenure, labour, mechanisation, research, transportation, mill efficiency, climate resilience, and the financial viability of cane farming. The Committee, therefore, considers that sustained investment, stronger coordination, and effective implementation of these reforms are essential to building a more productive, resilient, and sustainable sugar industry for Fiji. With those remarks, I commend the motion to the House.

HON. R.R. SHARMA.- Mr. Speaker, Sir, I rise to speak on a very important report before the House, the Ministry of Sugar Industry 2020-2021 Annual Report. This industry still supports 200,000 Fijians. Recently, in July this year, the Permanent Secretary for Finance said Fiji must rethink about sugar and asked whether the taxpayers should keep investing in it, and I quote: "It is dying a natural death".

From 22,000 farmers to probably 10,500 farmers is what we have. How we get here? I think time and again, we talk about the recommendations of the sugar industry, but far too long, it has been given handouts, farmers given promises, and for decades, we have seen this decline, whether it started from the 1987 to 2000 coup, that shattered confidence and affected the whole of our economy and then came the wave of expiring land leases. Families who had cultivated the soil for generations were forced off. Now climate change, cyclones, and now a drought hitting every mill. Yes, the industry is dying from within, and how that is, is when farmers are telling their own children, do not become a canefarmer. When a father tells his son not to follow him onto the land, the industry is dying from inside.

Mr. Speaker, Sir, on our visit as a Committee, I saw something that I believe the report has not highlighted: whether it is the Tribunal, Council, South Pacific Fertiliser or Research Institutions, what I saw was that they were working in isolation. I believe if they continue to work in isolation, it will benefit only them and not the whole of the industry. There is no proper monitoring of whether subsidised fertiliser was actually applied to the cane or whether the soil was tested before fertiliser is put into the soil. Over 480,000 bags are probably distributed in a year, but yet 80 percent of the farms tested in Vanua Levu, have highly acidic soil. Fertiliser on acidic soil without lime is money thrown into the mud because fertiliser will only be absorbed by the plants between certain pH parameters.

On top of that, burning cane, around 61 percent of cane at Lautoka and 62 percent at Rarawai arrived burnt. After harvest, fields are burnt off again, and farmers do it because labour is limited and it is costly, but burning destroys the sugar content and kills the organic matter and we are literally burning our own profits. I guess it is quite difficult for a politician to speak the truth when it comes to the sugar industry, but one must.

For decades, the sugar industry had been politicised, and a business cannot survive where every price, every board and every payment is decided by politics. Let me say this clearly. It is time

to turn this industry into a real business owned by the people who have grown the cane. We see so many boards and CEOs and one of my recommendations is to commercialise FSC, have a professional board through an independent merit panel, give it a performance contract with published targets and let it be the judge on profit, efficiency and farmer income. Any social support Government wants, like cartage or roads, should be paid openly as a service obligation, not hidden in bailouts.

Mr. Speaker, Sir, when we talk about diversification of the sugar industry, yes, our farmers are ageing as well. It can be bundled into business units of milling companies, energy companies selling bagasse power to EFL, ethanol and bio-products company, land and real estate. Opportunities are there, Mr. Speaker, Sir, but no one is taking the first step.

Mr. Speaker, Sir, I had to look up Investment Fiji, and I have drawn down some stats. If we talk about farmers to diversify, get an income within a month, we have export figures of, and this locally grown in Fiji, of 2025, \$5.2 million exported ginger, \$32.3 million turmeric, \$38.9 million taro and \$2.1 million eggplant.

So, if the farmers are told to diversify, we need to tell them about the supply chain and ensure that they become part of this. Mr. Speaker, Sir, we spoke to a lot of mill workers as well. Some I knew even from my high school, have spent all their lives there- probably 13 years, 12 years and they are working at such a minimum rate. And when FSC told us that they had put out a vacancy and no one applied. It spoke for itself because FSC cannot pay its mill workers and, apparently, I see no politician outside Parliament or some union leaders who are very vocal right now demanding \$8 an hour. I guess they have never spoken about these mill workers and the rates they are receiving for all these years.

Mr. Speaker, Sir, another issue that is crumbling the industry is lease expiry. Mr. Speaker, Sir, when people have taken off their land, not everyone has the privilege to go overseas. They get into the squatters and when people get into the squatter, they go and depend on Government welfare. And they come on the shoulders of every Parliamentarian to assist them, to ensure them that they do well.

Mr. Speaker, Sir, the other matter that we found out was with EFL. I think they are popping up at a lot of places trying to monopolise, which they have done with the power. Right now, they are buying power at 23.5 cents per kilowatt. So, FSC is selling them power at 23.5 cents in Viti Levu and 24 cents in Vanua Levu. However, EFL charges them 27.8 cents to 36.61 cents per kilowatt, which FSC is trying to negotiate with them because of the financial challenges that they have. But I guess no one is listening at EFL.

Mr. Speaker, Sir, the sugar industry tells the story of a *Girmitiya* and an *iTaukei* landowner working side by side for decades. It is a story of rural Fiji and billions of dollars that has been put into the industry. If you look at the budget allocations for the last 10 years, around \$800 million to \$1 billion has been pumped into FSC. And the output, well, it is before you.

The farmers demanded \$110, I believe, or an increase per tonne and it was up to this Government to support them during the fuel crisis because Government has been seen to be spending money on our oversized Cabinet, COI report and borrowed \$446.1 million and by the end of next financial year they probably borrowed \$3 billion in 4 years despite increasing taxes, so poor management, but they deserve to support the farmers during the fuel crisis, Mr. Speaker, Sir, and now with El Nino around the corner affecting the West.

(Laughter)

HON. RATU J.B. NIUDAMU.- (Inaudible)

HON. R.R. SHARMA.- Go and build it....

(Laughter)

HON. R.R. SHARMA.- Mr. Speaker, Sir, this report gives us a roadmap and farmers have given us their patience. What they need now is action. But time and again we talk about the recommendations, but very little happens. And I guess the politics really needs to be taken away from the sugar industry if it needs to grow and prosper. I support this report. I thank my Members and my Chairperson.

HON. V. LAL.- Mr. Speaker, Sir, as we examine the Ministry's Annual Report, we are forced to look past the glossy pages of bureaucratic achievements and confront the actual reality facing our rural communities.

Year after year we review these reports and year after year we see a growing disconnect between official figures and the struggles happening out in the field. Our sugar industry is the lifeblood of many rural families, yet this report reveals an alarming lack of foresight in protecting the very people who keep the mills running.

Mr. Speaker, when we comb through the pages of this document, we find endless self-congratulation on policy frameworks and projected tonnages, but we see very little accountability for chronic inefficiencies. We look at the multi-million-dollar allocations for key development, yet the report fails to provide a clear, honest breakdown of how those funds translate into tangible relief for a grower trying to pay off tractor loans or fertilizer bills.

Accountability cannot simply mean ticking boxes in a government office while productivity continues its steady, painful decline. The data presented to us glosses over the severe structural decay eating away in the sector. For years, Mr. Speaker, we have watched vital rail tramline networks degrade or get abandoned entirely, forcing our growers to absorb exorbitant private transport costs.

The report speaks of support mechanisms, but it ignores the compounding pressure of high field prices and neglected rural access roads that turn every harvest into an uphill battle. When infrastructure fails, the financial penalty falls squarely on the shoulders of the farmer, who is already penalized through delayed crushing schedules and lower priority scores at the mill.

Mr. Speaker, reports like this one treat our Sugarcane farmers as mere statistics on a spreadsheet rather than hard-working citizens trying to make an honest living. They do not want empty rhetoric about long-term potential. They need transparency, dependable infrastructure, and a financial ecosystem that actually reflects their daily operational realities.

Until this Ministry stops hiding behind bureaucratic language and starts delivering real, ground-level solutions, reports of this nature will remain nothing more than fiction on paper. We must address this crisis right in front of us today, as this crushing season unfolds across our towns and sectors. We are right in the middle of the current harvest, and the mood on the ground is not one of celebration, but of deep anxiety over penance and survival. The government points to the \$85 guaranteed price as the ultimate safety net.

Let us be entirely honest about what that figure means right now with the skyrocketing cost of fuel and essential farming inputs, that guaranteed minimum price has completely soared up by inflation and transport expenses. Mr. Speaker, our farmers are facing crushing financial pressure right now.

Today, while mills push forward with crushing operations amidst mounting grower dissatisfaction, telling a family that their price is secured means nothing when the actual cost of getting that cane to the mill leaves them empty-handed. We need immediate, practical interventions to stabilize grower confidence today, not tomorrow. It is time for the government to step up, look at the real-time financial distress in our sectors, and deliver the genuine support our cane growers have rightfully earned. Mr. Speaker, I support the motion before the House.

HON. V. R. GAVOKA. - Mr. Speaker, Sir, I also wish to pay tribute to my fellow Nadroga-Navosa colleague, honourable Kuridrani. He is from the *Vanua o Vusu* in Navosa, and *Vusu* is a significant part of the family that makes up Nakuruvakarua.

Actually, for the election in 2018, the party asked me to look for a candidate for Navosa and I spoke with honourable Kuridrani to take on the challenge of contesting his seat for Navosa. We spoke a number of times. You know what it is like when you ask someone to be in politics, the initial reaction is not always encouraging but we spoke a number of times and others also spoke with him and he managed to join the party and he won the seat from Navosa in 2018. As we all know he thrived in Parliament. A very passionate Member of the fraternity of Parliament. The *Vanua o Vusu* is mourning and we mourn with them.

Mr. Speaker, sir, on the Sugar Report I will just briefly speak on what the Committee has highlighted in terms of insufficient cane supply that continues to undermine the mill efficiency and economic viability. This morning when we spoke about the Food Processors Annual Report, there is also an issue with the consistency of supply. It appears to be a phenomenon that we know is a phenomenon that affects our agricultural sector in terms of manufacturing.

I believe it is an area where we should focus to be more productive in what we grow. If you look at the report, there is the focus on Sugar Research Institute Fiji (SRIF) and I believe the focus should be on SRIF. It is sad that our yield averages about 46 or 47 tonnes below 50 while the global yield is averaging about 80 to 100. I know a farmer in Labasa, who yields 130 tonnes on one hectare. Someone in Nadi is doing 150. It can be done and indeed with the area of land that is now under cane about 32,000 hectares with better yield, we can increase cane production quite significantly, but it has to be scientific. There is going to be good husbandry, and you must embrace technology.

The honourable Deputy Prime Minister Kamikamica has highlighted the Fiji Water's Citrus Farming Project in Waiqele in Labasa. We went to visit when we were there a couple of weeks ago. I am just looking forward to really see the way they do it. There is a young lady from New Mexico. She came all the way from New Mexico, part of the team that is developing that 80-acre piece of land they want to grow citrus on. You just feel like something really promising is going to happen there. The way they are preparing the land. We went into the backyard where they carry out all the other processes that will be the way forward for Fiji to do it scientifically. The yield from that 80 acre of land in Waiqele could be an indicator of what can be done when done properly. I believe we have colleges in Fiji or institutions that train our people and I believe the focus should now be on scientific methods of cultivating.

Honourable Kamikamica also spoke about Aitken Spence, that they have acquired some land in the Western Division and to go into commercial agriculture. This is a 150-year-old conglomerate from Sri Lanka, which is very well known in farming and I believe it will also be scientific, highly structured, and we should learn from these people to help grow our strength in our sugar industry.

I hear of in the sugar industry of ratoons that are almost 40 years old, it is a no-no. I was a cane farmer once. For four seasons, you need to go into what you call a plants, however, now we have ratoons that are 40 years old. People are saying that there is no land available. No land is

available. It is just the type of husbandry that we are putting in place that is leading, creating, contributing to this low yield and the low production in sugar.

This is who it is, Mr. Speaker, sir, of the countries. I had a colleague a couple of weeks ago who is serving in Kenya at the moment and he said that in Kenya, 20 percent of the land is feeding the whole of Kenya, which has about 60 million people and the Israelis are the ones who are helping them to develop or manage the agriculture. These are nations that we also can look to help us with our agriculture and production.

Mr. Speaker, Sir, this is my brief input on all these. Unless we improve husbandry, we embrace scientific methods and technology, we will not be able to see the recovery in sugar that we want. I commend the Report by the Committee. If anything, the takeaway from the Report is that good husbandry, scientific, and embracing technology will save our sugar industry.

HON. J.N. NAND.- Mr. Speaker, Sir, I rise to contribute to the debate for the House, and I will make a very short contribution. We are all aware that cane farming is not just a job but the very heartbeat of our entire community. When you look closely at the annual report of the recent periods, the numbers tell one story, however, the faces of our growers tell another entirely. Their families are feeling the squeeze every single day. Right now, our farmers are working on a very dangerous tightrope. This past year, it was the skyrocketing food prices that completely tore the tourism budget and operational margins, leaving many struggling farmers just to keep their tractors running and their cane hauled to the mills.

Mr. Speaker, Sir, every single trip to the field costs more and the profit margins shrink to almost nothing. As we try to catch our breath from this financial strain, the looming shadow of El Nino is already on the horizon for the next year, threatening severe drought conditions that could devastate crops and crush what the recovery families have managed to secure.

Mr. Speaker, Sir, looking at the offshore reports in the financial allocation, the real question we need to ask ourselves in this august House is what are we still doing to help those farmers survive? This report highlights various capital programmes, catalysers, supplies and cane access load upgrades that is managed by the Ministry. While assisting programmes exist on paper, the bureaucratic red tape and the late execution of all means, where help arrives far too late for the grower who is to buy diesel today or secure irrigation water tomorrow. If we are serious about protecting our rural economy, we cannot just rely on standard administrative responses or wait for disaster relief after the damage has already been done.

Mr. Speaker, Sir, we need proactive, targeted intervention that puts cash and practical resources directly into the hands of growers before the the dry spell hits. That means expanding localised water storage solutions, reviewing transport and fertiliser subsidies to both generally reflect current market inflation and ensuring that excessive services are actively working on the ground rather than sitting in offices. Our farmers across the candidate areas have kept this industry alive through cyclone, floods and economic shocks. They deserve more than just a sympathy in the Parliamentary report, that deserve immediate, tangible backing to secure the farms and the families' future for the long haul. Mr. Speaker, and I support the motion before the House.

HON. T.N. TUNABUNA.- Mr. Speaker, Sir, I also wish to join the House, on behalf of the Ministry of Agriculture, Waterways and Sugar Industry, extending our condolences to the family of Inosi Kuridrani and the *Vanua o Vusu*, the sad passing away of a strong, true son of Nakuruvakarua. The Ministry of Agriculture, Waterways and Sugar sends our best wishes for peace and comfort to the family through this very sad and difficult time.

I also rise to support the motion of the review of the Standing Committee on the Ministry of Sugar Annual Report for 2020-2021. I wish to acknowledge the Committee's hard work in reviewing the Ministry's annual report and bringing forward recommendations addressing the long-standing challenges facing our sugar industry.

Mr. Speaker, Sir, the recommendations address important areas including declining cane production, labour shortage, mechanisation, research, land utilisation, mill and infrastructure and the welfare of those working within the industry. However, we must recognise the reality facing the sugar industry. Despite sustained government support through subsidies and efforts to increase cane payment, the decline in grower numbers in cane production has continued over the past two decades. We must therefore consider not only how we support the existing industry, but also how we ensure that land and farming activities generate sustainable returns for our farmers.

In these regards, the Government has initiated work with the European Union to examine the feasibility of transitioning parts of the cane belt into alternative high-level crops and livestock systems. The European Union team was in Fiji in June 2026 and undertook the first phase of the field and analytical work. This study is intended to provide evidence based on information on where sugarcane farming remains commercially viable, where diversification may provide better returns to farmers, where integrated farming systems may be appropriate, and what markets and value chains can support alternative agricultural activities. The report from the first phase is expected shortly and it will inform the second phase, including potential pilot intervention.

Mr. Speaker, Sir, let me make it clear that the Government is not proposing a wholesale transition away from sugarcane. Our objective is to ensure that decisions about the future of agriculture, land and farming activities are guided by evidence of economic viability and long-term interest of the farmers. The sugarcane remains commercially viable. We must continue supporting productivity, mechanisation, research and infrastructure and where diversification or integrated funding can provide better returns, we must be prepared to explore these options.

Mr. Speaker, Sir, the recommendations relating to labour shortage, mechanisation, research, land utilisation, and mill infrastructure remain important to the industry's future. These matters require a coordinated effort between the Government of Fiji, Fiji Sugar Corporation, the Sugar Cane Growers Council, the Sugar Research Institute of Fiji, and other relevant stakeholders. At the same time, we must ensure that Government support is directed towards measures that strengthen productivity, improve farmers' returns, and promote the long-term sustainability of the sector.

The European Union-supported study will assist the Government in developing a more informed way forward, and its findings will help guide future interventions and ensure that resources are directed towards areas where they can achieve meaningful and sustainable outcomes.

Mr. Speaker, Sir, the future of the sugar industry must be considered within the broader context of agricultural development, food security, and rural livelihoods. Our responsibility is to support our farmers, protect productive agricultural land, and create opportunities for the next generation. This requires an approach that is practical, evidence-based, and responsive to the changing economic circumstances of the industry.

I, therefore, welcome the Committee's recommendations and reaffirm the Government's commitment to working with all stakeholders to strengthen our sugar industry and improve the livelihoods of our farmers. I support the motion and the recommendations contained in the review report.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, I just want to say thank you very much, *vinaka vakalevu* to all the honourable Members who spoke in support of the Report and also in support of the recommendations that we have heard tonight.

MR. SPEAKER.- The Parliament will now vote to note the contents of the Report.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, that brings us to the end of today's sitting. It has been a very long afternoon and evening stretch, which is normally interrupted by our dinner break. It did not happen.

I must say that, at one stage, I was seriously thinking of declaring a washroom break of some 15 minutes to replace our dinner break. But perseverance endures in the end.

I thank you all for your contribution. Parliament is adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 8.13 p.m.