

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**THURSDAY, 28TH JULY, 2022**

**[CORRECTED COPY]**

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## **THURSDAY, 28<sup>TH</sup> JULY, 2022**

The Parliament met at 9.43 a.m. pursuant to adjournment.

MR. SPEAKER took the Chair and read the Prayer.

### **PRESENT**

All Members were present, except the honourable Minister for Women, Children and Poverty Alleviation; honourable S.V. Radrodro; and honourable Adi L. Qionibaravi.

### **MINUTES**

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

That the Minutes of the sitting of Parliament held on Wednesday, 27th July, 2022, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

### **COMMUNICATIONS FROM THE SPEAKER**

I welcome all honourable Members to today's sitting of Parliament. I also welcome all those watching the live broadcast and live streaming of today's proceedings. I also welcome the year's one and three law students from the Fiji National University. I hope that you will all enjoy today's proceedings and thank you for taking an interest in the workings of your Parliament.

We will proceed to the next item on the Order Paper.

### **RESUMPTION OF DEBATE ON THE 2022-2023 APPROPRIATION BILL 2022**

MR. SPEAKER.- Honourable Members, Parliament will now resolve into Committee of Supply to resume debate on the Heads in the Budget Estimates.

In Committee:

Head 31 – Ministry of Fisheries

HON. A. JALE.- I seek clarification on Programme 2-1-7 on Feasibility Study – Compliance and Enforcement (\$180,000). What does that entail?

HON. CDR. S.T. KOROILAVESAU.- That is basically an allocation for our Compliance Unit that actually go out and investigate complaints on the ground. If there are any issues, they will raise it with the Public Prosecutions for prosecutions or otherwise.

HON. A. SAYED-KHAIYUM.- Mr. Chairman, the Programme is implemented by Inshore Compliance and Enforcement Division to ensure enforcement of relevant laws and legislation in the Inshore Sector.

The Enforcement Unit is to address and monitor illegal and unregulated fishing practices. Over the last three years, the Unit has undertaken 2,118 land-based inspections, 160 sea-based inspections which has led to the prosecution of 79 cases, mainly inshore fisheries including poaching from Marine Protected Areas (MPAs), illegal fishing, harvesting and use of fishing gear where it is not allowed, et cetera.

The benefit, of course, is to allow the Ministry to make constant checks and gap analysis to continuously strengthen and improve the compliance and enforcement work within Fiji's inshore and coastal fisheries. There is also going to be a review of the SOPs and proposed policy and legislative amendments for the deterrence of illegal, unreported fishing. That is what it is for, they are increasing their compliance.

HON. S.R. RASOVA.- Mr. Chairman, I would like to seek a clarification on Programme 2-2-7 - Electronic Monitoring System (EMS) (\$550,000). This has been ongoing in several Budget Addresses. Has the Ministry been able to work with the industry to determine the catch lost by operators? How is the industry willing to counter this?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, this is basically transitioning into electronic platform and it also involves marine stewardship certification to support fishing vessels in order to meet international standards.

HON. S.R. RASOVA.- Are you able to determine the loss of catch by operators through this monitoring?

HON. CDR. S.T. KOROILAVESAU.- Absolutely. We have two layers of monitoring, one is electronic monitoring and then we also have our observers on board ships.

HON. S.R. RASOVA.- Mr. Chairman, on Programme 2-3-1 - Personal Emoluments (\$471,614), I move:

That we raise Personal Emoluments by \$400,000.

The fact is that, we need scientists to come and do research and development on this. Our contribution to GDP has been low all these years. We need scientific brains to come in and do research and development.

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, he has already answered what he is asking. It is basically to cater for additional persons' FNPF - the Data Collectors, Compliance Officers and Officers who carry out monitoring, as well as their meal and accommodation allowances which he had earlier asked. Those are all catered for under Personnel Emoluments.

HON. S. R. RASOVA.- Mr. Chairman, I need to move a motion to raise ...

HON. CDR. S.T. KOROILAVESAU.- *Areh*, you complain about *dinau*, et cetera, and then you want to raise it. Where do you get the money from?

HON. S.R. RASOVA.- I need a seconder.

MR. CHAIRMAN.- Order!

Honourable Member, if you want to raise a motion, say you want to raise a motion. Do not go round and round. You have the floor, if you want to raise a motion.

HON. S.R. RASOVA.- Mr. Chairman, I move:

A motion that we raise SEG 1 to \$400,000.

HON. RO F. TUISAWAU.- I second the motion.

HON. S.R. RASOVA.- I have said this earlier and I will repeat - the Ministry's contribution to GDP has been a minus contribution. We need scientific brains to come in. Even though there is about \$471,614, I think we need more scientific brains from outside because we have about 1.2 million square kilometres of open sea and we also have thousands of square kilometres of land.

HON. A. SAYED-KHAIYUM.- You work it out, you are not proposing it.

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, he is just plucking figures out of thin air. He should tell me what he wants the increase for. I have already explained that the increase that has been done is to strengthen the monitoring of Illegal, Unreported and Unregulated (IUU) fishing practices. The Ministry has to ensure that resources are available to facilitate logistics and others, to cater for meals and accommodation, to enable the Ministry to meet increases in fuel price and overtime. These have already been catered for. He personally complained about *dinau* and he is asking us to increase. Where did he pluck the money from? I do not understand.

HON. S.R. RASOVA.- Mr. Chairman, fisheries is a natural resource-based sector. All the sectors like agriculture, mining, gravel, et cetera, are all minor contributors to GDP. I think we should concentrate on those natural-based sectors and fisheries is one. We have about 1.2 million square kilometres of sea and I think we should concentrate on that. We have failed all these years and that is why we need good brains to come. That is your job, honourable Minister, you have been lacking on the job.

MR. CHAIRMAN.- Honourable Members, we will now vote.

Question on amendment put.

Motion lost.

HON. A.M. RADRODRO.- Mr. Chairman, I am seeking a clarification on Programme 2-3-8 – Fisheries Stations Access, I note that there is an increase of \$151,000 in the budgetary allocation from \$927,000 to \$1.078 million. Can we get a clarification on that allocation, Mr. Chairman?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, this is to deal with the issues of our outlying island fisheries stations and also the new ones that have been done in Bua, Vanua Levu. There are isolated stations that have been opened and this is to deal with their access.

HON. J. SAUKURU.- Mr. Chairman, just a clarification from the honourable Minister on Programme 2-3-1 - Personal Emoluments (\$471,614). One of the issues raised in a report submitted back to Parliament from the Standing Committee on Natural Resources is regularising positions and wages for people working in the Fisheries Research Unit and that is for the one at Galoa. Has that been accommodated in this?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, I am not sure of the details that he is asking now, but I can come back to him if those positions have been regularised.

HON. M.R. LEAWERE.- Mr. Chairman, Programme 2-5-9 - Purchase of Aluminium Boat for Eastern Division (\$300,000). I see that that is a new item. Can we have some clarification on

that?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, I do not know how to define it any further but aluminium boat is an aluminium boat.

HON. M.R. LEAWERE.- What I am asking, Mr. Chairman, is that the boat for the Eastern Division, what islands will it service and what will it do?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, basically when I made my speech, I had said that Eastern Division is purchasing a new aluminium boat basically to cover the Lau Group, and that is the requirement. The Eastern Division will buy another aluminium boat to actually go to the islands in Lau. I had covered it very well during my speech, so if he was listening I think he would have remembered.

HON. PROF. B.C. PRASAD.- Is it vote buying exercise? That is what I can see in terms of a lot of allocations, even with the Ministry of Agriculture.

HON. A. SAYED-KHAIYUM.- Shoosh!

HON. GOVERNMENT MEMBERS.- Seriously?

HON. PROF. B.C. PRASAD.- Yes, I am serious.

(Honourable Members interject)

MR. CHAIRMAN.- Order, order!

HON. P.W. VOSANIBOLA.- Mr. Chairman, on Programme 2-5-8 – Preparatory Works for Ice Plants (Wainigadru and Koro), just a point of clarification from the honourable Minister, I think this allocation was budgeted also in the 2021-2022 allocation. Can he give us an update, please?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, the preparatory work takes a lot of time, it deals with land issues, if water is available and all other issues. Of course, the opening of a station will mean that an ice plant will be opened there. So there is a lot of work that is required to be done on the ground before the station itself is approved. You have land issues and that is why it takes time. It is in the process before it is actually being built.

HON. A. SAYED-KHAIYUM.- Mr. Chairman, I feel compelled to make a response to honourable Professor Prasad. Like him and his other two stooges from NFP, they constantly make crass, flippant comments. He is saying that it is vote buying, what a stupid comment to make!

HON. J. USAMATE.- Absolutely!

HON. A. SAYED-KHAIYUM.- If you look at Capital Purchase, Sir, even if one were to believe his fanciful theory, vote buying means that you give someone personally and say to them, “I am giving you this and you vote for me.” This allocation, Sir, is the boat being given to the Ministry of Fisheries to do their work - to support the Fisheries Extension Service in the Eastern Division. This will provide effective service delivery to the extension advisory, research, monitoring of illegal fishing, control and surveillance work programme. How is that in anyone’s fanciful idea of vote buying? No one has been given a vote, we are not giving out boats or votes for that matter.

Honourable Professor Prasad is so attuned to elections and vote buying, the three of them sitting there in their little conspiratorial theory box and everything is about elections, everything is about votes.

HON. PROF. B.C. PRASAD.- It is for you, it is for you!

HON. A. SAYED-KHAIYUM.- Do not think for us.

HON. PROF. B.C. PRASAD.- Mr. Chairman, Sir, what we said was, we needed a clarification. We do not need this kind of pontification from him. It was a clarification from the honourable Minister because in the past, they have allocated boats and it was vote buying in the last Elections and that is the clarification we wanted. It is not a big deal.

HON. J. USAMATE.- This is a boat for the Ministry. You are the one who talked about vote buying.

MR. CHAIRMAN.- Order, order!

HON. A. SAYED-KHAIYUM.- You are an obtuse human being, that is what you are.

MR. CHAIRMAN.- We have covered these boats enough and we are going to move on.

HON. S.R. RASOVA.- Mr. Chairman, Sir, I move:

That we raise and double the allocation to Programme 2-5-8 on Coastal Fisheries Development (\$850,000).

HON. DR. RATU A.R. LALABALAVU.- I second the motion.

HON. S.R. RASOVA.- Mr. Chairman, Sir, I wonder why the Ministry of Fisheries does not have this proposal issue, not driven by strategic plans. What we see, and this is from the figures given by the Ministry of Fisheries, is that it has a negative contribution to GDP and most of the islands, especially in the Eastern Division - the groups of islands like Kadavu, Lomaiviti, Lau and Rotuma, they have always been neglected on coastal fisheries development. We have about 850 community fishers all over Fiji and they are not really complemented by the budget. That is why we need to raise this to double the amount for Coastal Fisheries Development.

HON. DR. I. WAQAINABETE.- Negatively contributing to the GDP.

MR. CHAIRMAN.- The floor is now open for this motion.

HON. J. USAMATE.- Mr. Chairman, I would just like to clarify, the honourable Member said that fisheries has a negative contribution to GDP. We have no idea what that means.

HON. A. SAYED-KHAIYUM.- Negative percentage. How can you have a negative percentage in fisheries?

MR. CHAIRMAN.- Honourable Members, we will now vote on the motion that Head 31 be increased by \$850,000 in Programme 2-5-8 with respect to Coastal Fisheries Development.

Question on amendment put.

Motion lost.

HON. S.R. RASOVA.- Mr. Chairman, on Programme 2-5-8 - Preparatory Works for Ice Plants (Wainigadru and Koro), I do not see anything on freezers. If there can be allocation on ice freezers. There are only two places in Kadavu where that has been given, so I thought to give \$200,000 if that can be all over.

HON. DR. RATU A.R. LALABALAVU.- I beg to second the motion.

HON. DR. I. WAQAINABETE.- Ice freezers is different from ice plant.

HON. S.R. RASOVA.- Mr. Speaker, all those ice plants that have been sent, especially to Kadavu, they face disruptions. What we feel is that, ice freezers would be more convenient because with ice plants, you have to have water, spare parts, et cetera. It can be about a month, then the Ministry of Fisheries sends people to come and fix it. So, if solar freezers can be put into every fishing village or community, we can put a budget of \$200,000 in there.

MR. CHAIRMAN.- The floor is open for discussion on this motion.

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, we have just recently installed eight solar freezers in Kadavu, we cannot do anymore because there are other Provinces that need it too so we need to look at Lau. We have installed one at Vabea, one at Buliya, one at Dravuni and three villages on the main island. What about the Lau Group? Do we take away that and give it all to Kadavu? No, I am not going to do that.

(Laughter)

HON. A. SAYED-KHAIYUM.- You said Kadavu too.

HON. DR. I. WAQAINABETE.- That is the problem when you live in Suva.

(Laughter)

MR. CHAIRMAN.- Honourable Members, we have had sufficient discussions on this motion. We will now vote on the motion that Head 31 be increased by \$200,000 in Programme 2-5-8 with respect to Preparatory Works for Ice Plant.

Question on amendment put.

Motion lost.

HON. M. BULANAUCA.- Mr. Chairman, Programme 2-6-8, I move:

That there be an increase in allocation to \$500,000 for Assistance to Commercial Brackishwater Shrimp Aquaculture Farmers.

MR. CHAIRMAN.- If you are seconding, say you are seconding. Do not just raise your hand. I cannot hear your hand, I can hear your voice.

HON. M.R. LEAWARE.- I second, Sir.

HON. M. BULANAUCA.- Mr. Chairman, this is quite important, in particular, the research

stations are doing quite well in increasing their production of shrimps but not enough to reduce imports. I believe imports is over \$40 million and I stand to be corrected, but there is a lot more import than we can produce.

It is important to increase aquaculture farming here in Fiji to increase production of shrimps because there is a lot of demand for that here in Fiji. That additional \$500,000 would perhaps, encourage people to produce more and also for the Ministry to educate and train, particularly some of the landowners and fishing rights owners along the coast from Ba to Ra. I believe those are the best areas for shrimp aquaculture farming, Mr. Chairman. That would mean consultation with the iTaukei Affairs where the iTaukei people are to come away from unproductive way of living.

HON. A. SAYED-KHAIYUM.- He is talking about commercial farming, he is not talking about development.

HON. M. BULANAUCA.- ... like going into commercial shrimp aquaculture farming and produce a lot more not only for the iTaukei people but also for Fiji as a whole.

It is important, Mr. Chairman, Sir, to reduce import and increase production.

MR. CHAIRMAN.- The floor is open for discussion on this motion.

HON. CDR S.T. KOROILAVESAU.- The honourable Member is talking about two allocations together, but there are two separate allocations:

1. \$600,000 for Freshwater Aquaculture Small-Holder Farmers; and
2. Assistance to Commercial Brackishwater Shrimp Aquaculture Farmers - \$250,000.

Which one is he talking about?

MR. CHAIRMAN.- Head 31-2-6-8 – Assistance to Commercial Brackishwater Shrimp Aquaculture Farmers.

HON. CDR S.T. KOROILAVESAU.- This project has already been increased. The issue is, if we increase the distribution to farmers, then we also have look at the production of baby shrimps that need to be distributed. So those two activities need to match. If he wants to increase the farmers, then when we need to increase our production in producing baby shrimps so that it can fill the ponds. It is no use digging up new ponds without the capability of producing the post larvae (PLs) which are the baby shrimps to feed those ponds.

MR. CHAIRMAN.- You have the floor for your Right of Reply.

HON. M. BULANAUCA.- Mr. Chairman, point taken, that is exactly the point, where we increase the number of farmers going to commercial shrimp farming. You need shrimp post larvae to produce more so that additional \$500,000 is exactly for that - whatever you can bring to those farmers into those ponds to produce more shrimps and increase production, at the same time reduce our imports from the other side. That is exactly the point, Sir.

MR. CHAIRMAN.- Anyone else wishing to take the floor.

HON. A. SAYED-KHAIYUM.- Sir, just a point of clarification. Honourable Bulanauca, you would have heard the honourable Minister asked you specifically which one you want increased and you said Assistance to Commercial Brackishwater Shrimp Aquaculture Farmers.

Farmers can start farming once they actually have larvae and larvae production is under Brackishwater Development Programme. That is the first one in SEG 8. So you cannot have a farmer without the larvae. You need the larvae, then you have the farmer. What will the farmer grow? You cannot grow the allocation for the farmers.

Over 800,000 shrimp post larvae produced and distributed to interested farmers. The team has produced 15,340 post larvae for future broodstock and grow out for farmers. There is a team that deals with the Brackish Development Programme and had distributed 70,000 tilapia fingerlings to around 15 to 20 Serua-Namosi farmers. So that is part of the growth of the larvae.

Then, of course, you have the commercial farming as the honourable Minister also highlighted - the assistance of Commercial Brackishwater Shrimp Aquaculture Farmers which has been increased from \$175,000 to \$250,000 which is an increment of \$75,000. So as more and more larvae is grown, more and more fingerlings are grown and harvested which would then be given to the farmers out there to then grow it in their own farms. This is similar to *dalo* tops and suckers. You give it to the farmers to grow but you cannot say to someone to go into *dalo* farming if you cannot give them the suckers. So you need to develop the suckers first.

HON. M. BULANAUCA.- Yes, I understand, Mr. Chairman, and that is exactly the point. We have to combine those two SEGs and divide the \$500,000 into two - \$250,000 for the post larvae and \$250,000 for additional farmers. That is exactly the point, it is just common sense.

HON. A. SAYED-KHAIYUM.- The farmers do not grow the larvae.

(Chorus of interjections)

MR. CHAIRMAN.- Order, order!

We have had enough discussions on larvae. We will now take a vote on the motion to increase Head 31 by \$500,000 in Programme 2-6-8.

Question on amendment put.

Motion lost.

HON. A. JALE.- Mr. Chairman, on Programme 2-6-8 – Seaweed Development Programme (\$200,000), this is a very important programme and I just want to get some information from the honourable Minister as to where your focus is going to be because for the islands in the Eastern Division, this programme is going to be very beneficial. Where is your focus going to be this time?

HON. CDR. S.T. KOROILAVESAU.- At the moment, our concentration is around the coastal areas of the two main islands – Vanua Levu and Viti Levu, around the coast of Bua and Macuata and around the coast of Tailevu, Ra and Ba.

The issue with the maritime islands is that, when a cyclone hits, it totally devastates the whole farm and the second issue is the upkeep. From my observation, I think you are referring to Ono-i-Lau. The seaweed farm at Ono-i-Lau was positioned in a very distant small island quite far from the two villages that were actually farming. So, we need to reinvestigate if farming can be done closer to the village, so that the upkeep of the farm could be easier for the villagers to look after.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, still on the same Activity and SEG 8, there is an allocation for Freshwater Aquaculture Small-Holder Farmers (\$600,000). Out of that

allocation, I would like to ask the honourable Minister as to what percentage of that is going to freshwater shrimp aquaculture, because I notice there is allocation only for brackishwater shrimp aquaculture which is the next item down from that?

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, the basic cost that is involved in establishing an aquaculture farm is that, there is \$10,000 allocated for each farmer and most of that cost is dedicated to actually digging the pond to create the farm. So on this budget here, there is allocation for a number of farmers that will be assisted by hiring excavators to dig the pond and have it ready, and the Government will then provide them with fingerlings and also provide them with feed for the first cycle. Once they harvest the first cycle, they are expected to be able to keep some money so that they can provide the feed for the next cycle. The Government will still provide PLs or fingerlings for those farmers. Hopefully after the first cycle, they will be able to buy their own feed. That is the programme that is there.

HON. LT. COL. P. TIKODUADUA.- Does that include shrimp farmers?

HON. CDR. S.T. KOROILAVESAU.- It includes both, shrimp and prawn. Shrimp is brackishwater prawns and prawns is freshwater.

HON. J. SAUKURU.- Mr. Chairman, I want to seek clarification from the honourable Minister – I cannot see anything on sandfish, although we have seen that in Galoa and it has a lucrative market as well.

HON. CDR. S.T. KOROILAVESAU.- Mr. Chairman, we were developing sandfish farming in Galoa and I think you visited it. It basically depends on the traditional *i qoliqoli* owners to create their own farm. Once they create their farm or they have allocated an area where they want us to go and assist them to farm, then we will move in and assist them.

Already, there are Marine Protected Areas (MPAs) in restricted areas within the *i qoliqoli* which we have encouraged *i qoliqoli* owners to basically reserve that and do not pick any *beche-de-mer* so that they can harvest when the time comes for them to harvest. It is already working on the ground, basically depending on the traditional *i qoliqoli* owners to come to the Ministry to ask for assistance. It is all included in aquaculture and it is not designated here but it is allocated for.

MR. CHAIRMAN.- Honourable Members, we will now vote on Head 31.

Question put.

Head 31 agreed to.

#### Head 32 – Ministry of Forestry

HON. M. BULANAUCA.- Mr. Chairman, on Programme 2-1-6, I move a motion:

To increase SEG 6 - Forest Subsidy on Value Adding Machines (\$50,000) to add \$950,000.

HON. A.M. RADRODRO.- Mr. Chairman, I beg to second the motion.

HON. M. BULANAUCA.- Mr. Chairman, as I had mentioned yesterday, it is important that we increase production in value adding of our sawn timber here in Fiji, particularly for pine and mahogany. We are exporting a lot more - over 50 percent of sawn timber. We should be exporting a lot more value adding products out of sawn timber that we produce here in Fiji. So it is important

that we help or assist these people - the landowners and other businesses, to value add sawn timber, pine, mahogany or native timber for export products to increase our export production and reduce imports.

We may put additional \$500,000 for mahogany and \$450,000 for pine, plus \$50,000 that is already there, so \$500,000 each to assist them to increase their production, particularly for value adding. For mahogany during COVID-19, no reduction in log sales price was made, even though 20 percent was requested and approved by the honourable Prime Minister, but it has not been implemented. In this way, we can assist the people involved in the production of value added timber to produce more.

Question on amendment put.

Motion lost.

HON. A. JALE.- Mr. Chairman, I just want some clarification from the honourable Minister on what has been achieved so far in regards to Programme 2-2-8 - Reducing Emissions from Deforestation and Forest Degradation (REDD Plus) (\$500,000). I think it is an ongoing programme and we have this allocation in every Budget. We want to know if there has been some progress on the programme.

HON. J.V. BAINIMARAMA.- Mr. Chairman, there is an increase in the budgetary allocation on this. The increase in REDD Plus by just a little over \$272,000 is for payment of the project site, lease payment at Malu Forest and also the compensation of each forest ecosystem. Majority of the additional funds will be used for the ongoing awareness and consultation towards local communities in the 20 Districts in Viti Levu, Taveuni and Vanua Levu.

HON. RATU N.T. LALABALAVU.- Mr. Chairman, in addition to what has been raised by honourable Jale, this REDD Plus project has been in the pipeline for quite some time now. It is about the fourth time that it has appeared in our Budget. What is the formula that has now been identified by the Project Analyst that have come from abroad that will accrue to the landowners?

Therefore, in regards to the harvesting of their forests through REDD Plus, you have indicated it already, honourable Prime Minister, that, that money is going to go to the resource owners. But we are still waiting for the formula that you are going to adopt for the forests that are going to be covered which are already covered under REDD Plus.

HON. J.V. BAINIMARAMA.- Mr. Chairman, there is no harvesting of forests. The allocation of \$3 million has been allocated to the Ministry of Forestry from the American Government. They are working on whatever the people will want at the end of the day, especially the money that is going to be allocated. It is not a five minutes job, it takes a while before they come up with the right combination.

HON. RATU N.T. LALABALAVU.- Thank you, honourable Prime Minister, for the reply. We fully understand that there will be no harvest of forests but the resource owners are going to forego harvesting their forests because it has been identified to protect forests under REDD Plus. So all we are asking is, what sort of formula have you identified for the sharing of whatever is going to come their way (the resource owners), Sir?

HON. J.V. BAINIMARAMA.- Mr. Chairman, as I have said, we are going through the process and we will let them know.

MR. CHAIRMAN.- Honourable Member, we will now vote.

Question put.

Head 32 agreed to.

MR. CHAIRMAN.- Honourable Members, on that note, after all the discussions on larvae and prawns, I look forward to the morning tea break. We might taste some of those. We take a break for half-an-hour.

The Parliament adjourned at 10.35 a.m.

The Parliament resumed at 11.13 a.m.

Head 33- Ministry of Lands and Mineral Resources

MR. CHAIRMAN.- The floor is now open for any comments on the above Head.

HON. A. JALE.- Mr. Chairman, 2-1-8 - Groundwater Assessment and Development - Small Islands (\$760,000) and Groundwater Assessment and Development - Large Islands (\$2,000,000). Just questioning the honourable Minister as to the reason why those two are separated, why the same matter, but divided? Can you explain the reason?

HON. J. USAMATE.- Mr. Chairman, I think it is obviously to make sure that we do not spend all the funds on the larger islands and forget about the smaller islands, and vice versa, so there are separate allocations to cater for both groups of islands.

HON. A. JALE.- Mr. Chairman, what is your definition of small islands here?

HON. J. USAMATE.- Mr. Chairman, the large islands are basically Viti Levu and Vanua Levu and the small islands are all the other small ones, for instance, this year groundwater investigation will take place largely for the new sites in Kadavu, Lakeba, Lau and other places like that. That is for the small islands. For large islands it is basically Viti Levu and Vanua Levu.

HON. A. JALE.- I really like the way it is done because it is exactly the reason why some of these places in Fiji were neglected in the past. When you lump the allocations together, small islands seems to be forgotten. I think this was a good move because you really separated the two and the small islands will not miss out. That is my comment, thank you very much for that.

HON. J. USAMATE.- Thank you honourable Member, that is FijiFirst for you.

(Laughter)

MR. CHAIRMAN.- I just want to make a correction. Someone said when you talk about small islands, that Bau was one. Bau is a big island. Honourable Members we move on.

HON. A. JALE.- Mr. Chairman, on Programme 3-2-5 - Surveyors Registration Board (\$5,000). I am just curious to know how many registered Surveyors do we have in Fiji and where are they placed?

HON. J. USAMATE.- Mr. Chairman, I do not have that exact figures with me at the moment, but I can pass that to the honourable Member through his email.

HON. RO. F. TUISAWAU.- Mr. Chairman, just to clarify, my motion was on Programme 3-1.

MR. CHAIRMAN.- We are on Activity 5 now.

HON. A.M. RADRODRO.- Mr. Chairman, Programme 3-5-10 - Land Bank Investment (\$200,000). Can we get a clarification on this allocation?

HON. J. USAMATE.- Mr. Chairman, from \$50,000 to \$200,000, this provision caters for the development of land that are deposited into the Land Bank. The allocated budget has been increased by 300 percent. The Ministry will reprioritise the projects that used to be undertaken in the next financial year. This is focussed on developing access to Vunicibicibi in Naitasiri, Dawasamu, Navorara in Nakelo and Naviria in Savusavu. So, it is the access to those land that have been deposited into the Land Bank.

MR. CHAIRMAN.- Honourable Members, we will vote on Head 33.

Question put.

Head 33 agreed to.

Head 34 – Ministry of Commerce, Trade, Tourism and Transport

MR. CHAIRMAN.- The floor is now open for any comments on Head 34.

HON. M.R. LEAWERE.- Mr. Chairman, just a clarification on Programme 2-1-6 - Film Fiji (\$900,000); can the honourable Minister elaborate more on that, please?

HON. F.S. KOYA.- Mr. Chairman, Sir, obviously, Film Fiji is responsible for attracting investment into the audio visual industry and for administering one of the most lucrative incentives that we have in the world for audio visual productions. Film Fiji's role is to develop and promote Fiji's audio visual industry locally and internationally. In doing so it provides film locations services and ensures that we have effective communication between all Government stakeholders and we work with our Trade Commissions in Australia, New Zealand, China and North America to promote Fiji in those particular markets.

So, this was really for the combined efforts with respect to events, promotional activities in the key audio visual markets. Sir, you do know Annual Reports for that have been submitted – 2017 and 2018-2019, and are actually just waiting at the Office of the Auditor-General.

MR. CHAIRMAN.- Programme 4-2?

HON. RO F. TUISAWAU.- Mr. Chairman, Sir, I would like to comment and also raise a motion on Programme 4-2-5 - Training Expenses (\$5,000). I feel that, that is inadequate in terms of coverage of training and also in terms of the importance of co-operatives as expressed by the honourable Minister, and there is a need to expand that training to various bodies.

Mr. Chairman, Sir, I move:

That we increase Programme 4-2-5 Training Expenses by \$500,000.

HON. S.R. RASOVA.- I second the motion.

HON. RO F. TUISAWAU.- Sir, I am suggesting \$500,000 for co-operative training specifically or in particular for *tikina*, *koro*, villages, et cetera, who at the moment are coming up with their own commercial initiatives as encouraged by not only the Ministry of Commerce, Trade, Tourism and Transport but also Ministry of Agriculture. So, this will assist them in the setting up, training and other compliance requirements needed.

In addition to that, there is also a critical need to engage cassava farmers, *dalo* farmers, *yaqona* farmers and ginger farmers in co-operative set ups, to more effectively incorporate them into the value chain. Here, I am speaking not only of value addition in terms of products but also local market and importantly, the expansion into export markets to support the initiatives of the Ministry concerned and also particularly, for the Ministry of Agriculture initiatives in commercial farming.

HON. F.S. KOYA.- Thank you, Mr. Chairman. Just to put it into perspective, this Programme, the Department of Co-operative Business, has to do with training. That specific one that you are actually

referring to is literally just for the purchase of training materials.

The Department of Co-operative Business has actively promoted co-operative business models. We have conducted awareness, trainings, et cetera, and the Training Division of the Department of Co-operative Business has managed to conduct 169 training sessions from 2015 right up to 2022. Training is provided for all registered co-operatives and it is free of cost, which actually helps co-operative members to upskill themselves in order to become better entrepreneurs.

I think, honourable Member, you just may got it wrong. That particular provision does not necessarily have to be increased, it is really just for the purpose of training materials. As I have said earlier, the trainings that we do in 2021-2022 it is about 37, 2020-2021 was about 25 and as we go down the years, it is around the 20 and 29 mark. So, there is enough there to cover the particular training expenses that you are actually referring to. This specific one is only for the purchase of training materials. I hope that clarifies.

HON. RO F. TUISAWAU.- I have no further comments, Sir.

MR. CHAIRMAN.- Honourable Members, we will take a vote on this motion.

Question on amendment put.

Motion lost.

HON. A. JALE.- Mr. Chairman, I would like to move a motion:

That Head 34-7-1-6 - Shipping Services Subsidy be increased by a sum of \$2 million.

HON. RO F. TUISAWAU.- I second the motion.

HON. A. JALE.- Mr. Chairman, shipping is so critical to the maritime Provinces and I think it is so vital that all the operations and anything to do with development depends on transportation that is provided basically mainly by shipping. It is so critical a service to the maritime Provinces that it should be given that correct level of attention. That is the reason why I am raising this.

Shipping services to the maritime Provinces is going to be affected through increase in fuel costs. Recently after the war in Ukraine and Russia, the frequency of shipping services to the maritime Provinces has been affected. Certainly, the shipping services subsidy is going to be also affected and the regular service provided to the maritime Provinces is also going to be affected.

It is so critical and I think it is time now that the Government should consider because when I raised the issue about reliable, affordable and safe shipping services to the maritime Provinces, all the Government Members voted against the motion. It is time now that they reconsider what they did the last time and try to help the people in maritime Provinces - that is the reason for the motion, Mr. Chairman.

HON. F.S. KOYA.- I do understand what the Honourable Member is saying but if you actually have a look at the variance from the previous one, it is about \$1.125 million and \$128 million in terms of the variance so it has been increased from \$2.28 million to \$3.41 million. That takes into account the actual fuel cost and the routes on that are not affected which include 10 uneconomical routes – the Lower Southern Lau, Northern Lau, Lomaiviti, Upper Southern Lau, Yasayasa Moala, Kadavu, Rotuma, Yasawa, Cikobia, North East Vanua Levu and Beqa. A further breakdown of those particular routes - Lower Southern Lau, the 1<sup>st</sup> Northern Lau, 2<sup>nd</sup> Northern Lau, 1<sup>st</sup> Lomaiviti, 2<sup>nd</sup> Lomaiviti, 1<sup>st</sup> Upper Southern Lau, 2<sup>nd</sup> Upper Southern Lau, Yasayasa Moala, Kadavu, Rotuma and Yasawa.

Sir, the Franchise Scheme provides 10 uneconomical routes, at 15 trips per month and the increase will actually cater for those additional costs that he is actually talking about in terms of fuel and maintenance for the private vessel operators that actually service those routes. So, if you just want a breakdown, for example, Rotuma, it is actually jumping up from \$25,000 to \$44,857; Lower Southern Ono-i-Lau, it goes from \$18,000 up to \$29,522. So, yes, we have actually catered for what you are asking for.

HON. S.R. RASOVA.- In regards to Goundar Shipping to Lau, they have not travel for the last three months. Are they inclusive here?

HON. F.S. KOYA.- Please, remember that Goundar Shipping is a private entity and whether it goes or not is entirely up to them. But when it does not go, we make sure that it is actually covered. From what I understand, he did go to Lakeba last week. At times whenever there is a situation and if an operator does not go, we ensure that we try and cover that through our Government Shipping Services (GSS). I think quite a few of you have raised it with me and we have made sure that, that has been taken care of.

MR. CHAIRMAN.- Honourable Jale, you have your Right of Reply.

HON. A. JALE.- Thank you, honourable Minister, for the explanation. I think I am satisfied and I withdraw the motion.

HON. RO F. TUISAWAU.- I move a motion:

That Programme 7-1-6 – Land Transport Authority – Operating Grant (\$21,433,217) be increased by \$2 million to upgrade Navua Jetty and facilities.

HON. M. BULANAUCA.- I second the motion.

HON. RO F. TUISAWAU.- Mr. Chairman, Navua Jetty services Beqa Island and there is increased ...

HON. F.S. KOYA.- The Land Transport Authority (LTA) does not look after Navua Jetty.

HON. GOVERNMENT MEMBER.- It is Fiji Roads Authority (FRA).

HON. RO F. TUISAWAU.- Thank you, my apologies. Thank you for the clarification, I will raise it with FRA. I withdraw my motion, Mr. Chairman.

HON. M. BULANAUCA.- Mr. Chairman, on Head 34-9-1-10 – New Town Development (\$3,000,000), can I seek clarification from the honourable Minister on which town is this one and the phases of development there?

HON. F.S. KOYA.- Are you referring to a specific town because there are numerous towns?

HON. M. BULANAUCA.- It says there, ‘New Town Development’, which means to me it refers to one town.

HON. F.S. KOYA.- It is in terms of Nabouwalu town centre, Nabouwalu passenger service terminal, for Keiyasi, Seaqaqa and Korovou. Those are the ones that we are actually looking into to develop, so it literally covers those.

HON. M. BULANAUCA.- So, it is towns?

HON. F.S. KOYA.- Township. Does that help?

HON. M. BULANAUCA.- Yes, it does help which means three or four towns and particularly for Nabouwalu, it has been like that since 2018 so if you can fast-track Nabouwalu, the better.

HON. F.S. KOYA.- Only the FijiFirst Government is doing something about it.

HON. PROF. B.C. PRASAD.- I know, Mr. Chairman, you cannot see me from there, but thank you.

MR. CHAIRMAN.- I can hear you.

HON. PROF. B.C. PRASAD.- On the same issue, this is a question to the honourable Minister and also seeking clarification from him. We have heard about these town developments since 2017 and I think we had allocated a certain amount in the 2018 Budget. There was talk about Navua, Seaqaqa and Nabouwalu being declared town and now we hear Korovou as well. Do you have a plan as to when these will be declared townships? I mean, what is the schedule. When you visited Labasa, honourable Minister, you did announce that Seaqaqa and Nabouwalu would be governed by their own town councils. Of course, we do not have town councils in that sense, but when are you going to have these declared, do you have a timeline?

HON. F.S. KOYA.- I think with respect to declaration of townships, honourable Member, the Minister responsible to do that would be for Local Government and they will tell you exactly when. But to be absolutely specific with what you are talking about, I will go through this carefully, Sir, so that you do understand.

For Nabouwalu in terms of the town centre, the civil works for the town was suspended in 2019 due to issues of surface flooding which prompted the need to some redesign works that needed to happen. And there are a lot of things that had been affected by climate change, Mr. Chairman, which actually us to re-think and re-engineer some of our plans.

The extension of time for the civil works contract has been granted and the works for the first phase consisting of about eight commercial lots for roading and infrastructure such as water and road will be put in, that is why you saw me on the ground. Civil work is expected to commence in the first quarter of the new financial year. There were other issues that the Ministry had to deal with specifically I am talking about the re-location of some squatters that were there. As you know, it is not something that you can just do overnight, it has to be and properly where to find them some other place to live.

With respect to the Nabouwalu Passenger Terminal Service, this is actually a new initiative. The Ministry is currently pursuing to construct a passenger services terminal. After having built the road from Labasa to Nabouwalu, actually a major amount of traffic that goes through there. There are some issues that are being sorted out because previously sites that were given had to be taken over, et cetera for all of that, but that is happening in conjunction with the town.

In Keiyasi, the civil works tender has been advertised and the tender will be awarded within the next two to three months before works commence on site and the duration of work is about 18 months. The Environmental Impact Assessment (EIA) also needs to be conducted especially with respect to Nabouwalu. There is a Fisheries Impact Assessment that needs to be completed. There are ongoing works all the time, so no one is just sitting around. In Seaqaqa, we are working on a subdivision scheme which needed to be re-worked also to create more commercial lots in that particular area as well as allocate areas for market and bus stand.

Just to put it into the perspective, these things have to be done extremely carefully with respect to the expanding population that exist in these centres. The documentation phase for Seaqaqa will be completed in the 2022-2023 financial year and overall allocation for the new town development programme now will cater for the construction of the Nabouwalu Passenger Terminal Service, Keiyasi, et cetera, and there are certain leases also that need to be acquired within that. Does that help?

MR. CHAIRMAN.- Honourable Members, we will now vote on Head 34 – Ministry of Commerce, Trade, Tourism and Transport.

Question put.

Head 34 agreed to.

#### Head 35 – Ministry of Sugar Industry

HON. DR. M.T. NAULUMATUA.- I just like to comment and I would like declare my interest here. We have supported Sugar Research Institute of Fiji. We are working with them in promoting Carry on Technology which is a technology that targets biochemical. The land is in three levels; physical, chemical and biochemical and we target the biochemical. This is in relation to climate change in trying to get the biochemical level to do its work and it has been very productive.

Last year, we started to fund the Research at the Research Institute. The Research Officer's name is Narin Vano, he is in charge of this. Last year, a farmer won a "Farmer of the Year", increasing the yield of sugar from 20 tonnes an acre to 50 tonnes an acre. We were just moving along the alliance of aiming to promote organic sugar. I know that in Europe, their yield is about 100 acres, aiming to promote organic sugar.

I know that in Europe, their yield is about 100 tonnes per acres. We are moving in that direction. We have had this going now, this is going to be the second year. I just want to declare my interest here but it looks as though it is doing very well. We are working with the research team from India and they have been working on this for over 40 years and their sugarcane is from there to here and that is how effective Carry on Technology solution is. It is not a fertiliser but it is a biochemical solution and it works on the biochemical population in the soil. That is all I wanted to say and to tell you that it seems to be working very well. We have got another two years to go. That is just from the private sector interested in increasing the interest in sugar towards organic sugar.

HON. PROF. B.C. PRASAD.- Mr. Chairman, before I move my motion, I have two questions on SEG 10. The first one is the Sugar Cane Development and Farmers Assistance where \$1,000,000 has been allocated. Can we know how many farmers are going to be assisted as a result of that?

The second question is on the Cane Cartage (Penang to Rarawai) – FSC (\$4,961,098). If we look at the average allocation, let us say of \$4 million a year from 2017, that is five years, you are looking at about \$20 million being spent on cartage. My question is, whether it would have been better or still would be better if the Government considers a sugar mill in Rakiraki. I know that the honourable Prime Minister at one point said that they were thinking of a syrup mill. I want to know, what is happening there? Mr. Chairman, I will move my motion after the answers.

HON. J.V. BAINIMARAMA.- Mr. Chairman, we have increased funding in SEG 10. We really do not know how many new farmers are going to be involved in this. Of course, it will come through the normal channel, we will ask for it then we will give it to them. Sir, what is the second question?

HON. PROF. B.C. PRASAD.- The second question, honourable Prime Minister was on the Cane Cartage allocation from Penang to Rarawai. There is an allocation of \$4.9 million. We know that if you calculate on average, let us say \$4 million a year from 2017 then we have already spent close to \$20 million or probably more on that. My question is, whether it makes sense to continue with this or to actually build a mill in Rakiraki. I know the honourable Prime Minister did say some years back that syrup mill could be considered in Rakiraki. So I want to know if there are any plans to put up a mill in Rakiraki or a syrup mill.

HON. J.V. BAINIMARAMA.- Mr. Chairman, not at this stage, but the funding has always been \$4 million. We have increased the funding by \$1.1 million and we have come to \$4.9 million, that is, mainly because of fuel increase.

HON. A. SAYED-KHAIYUM.- You cannot take \$4 million as the price we have been paying, it is only because of fuel price increase.

HON. PROF. B.C. PRASAD.- What did you say, I did not get you, honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- I said, you cannot use \$4 million as the base, you are saying if we spent \$4 million and if you look at the figures, we have not been spending \$4 million. The only reason why it has gone up to \$4 million is because we are taking into account the price of fuel that has gone up. The FCCC has issued a pricing so there are different price points from Dravuni to Rarawai, Dravuni to Vitawa Bridge to Penang to Ellington, there are different pricings.

HON. PROF. B.C. PRASAD.- So how much we might have spent in five years already on cartage?

HON. A. SAYED-KHAIYUM.- We can get the figures to you, we do not have it in front of us now.

HON. PROF. B.C. PRASAD.- Mr. Chairman, I will move my motion now on SEG 10:

That Head 35 be increased by \$38 million in respect of Programme 1-1-10 to allocate funding for \$85 per tonne guaranteed price of one tonne of sugarcane for the 2022 harvesting season.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I beg to second the motion.

HON. PROF. B.C. PRASAD.- Mr. Chairman, despite the assurance from both the honourable Prime Minister and the honourable Attorney-General, I still find that there is no budget provision to cover the guaranteed price, that is from the budget. I am worried that we will not be able to pay that \$85 guaranteed price if we do not make proper allocation.

I know that the honourable Attorney-General did say on 15<sup>th</sup> July, while handing down the Budget that continuation of the guaranteed price will be there in 2022-2023 financial year, that is reassuring. But, I would also like to state what the honourable Minister said and I quote, “we would like to also finally assure cane growers that sufficient funds have been allocated to the Ministry of Sugar to ensure the guaranteed price of \$85 will continue in this financial year.”

Mr. Chairman, the issue that I have, the current allocation of \$8 million is enough only to ensure that growers receive the guaranteed price of \$85 per tonne for the 2021 season, when the final payment is topped for the last season to be paid in October. This is even emphasised in the pre-

election economic and fiscal update that states that further allocation of around \$8 million dependent on the cane harvest will be provided in the 2022-2023 Budget to meet the final payment for the 2021 season. It is not clear and I maintain that there is no allocation.

This claim that rising sugar prices will mean \$8 million is sufficient to cover for guaranteed price for the 2022 season is really outrageous, in my view. By the time the 2023-2024 Budget is handed down in June or July next year, growers will already have received four cane payments and this would basically be very meagre amounts with no top-up. I urge the honourable Members to support this motion and I think that would be the proper thing to do to have the allocation in the budget for the guaranteed price.

HON. J.V. BAINIMARAMA.- Mr. Chairman, we have different assessments on this but we have already made our point in saying that our growers will get the full \$85 per tonne as we promised they would. Government funds are topped-up with the world market price for sugar and when the world market prices goes low, we step in to cover the difference. Right now the world market price is high. So, we do not really need to put in that much money so we think \$8 million is enough.

HON. A. SAYED-KHAIYUM.- Mr. Chairman, Sir, if I could just say that in the Budget, because he has mentioned that we announced in the Budget and he says that he does not think that it will be enough, it is in the Budget, it will be enough since the honourable Prime Minister for the past three or four years has guaranteed \$85 a tonne, we have always paid \$85 a tonne.

We remember a couple years ago, he said, "Oh, it is not enough, we would not be able to pay the \$85 a tonne." We have people here, people outside Parliament, Mr. Mahendra Chaudhry, and all of them saying, "Oh, we cannot pay." They went around campaigning with the farmers saying that it would not be enough. Then they were saying to the farmers, 'Oh, you should not have these deductions.' It is the least deductions.

At no point in time have we ever backed off from the \$85 a tonne - this is just gimmickry. They are going around and saying that even though we have said that, he said, "No in my assessment". We are the ones doing the budget, we are the ones that have actually delivered \$85 a tonne and as we have said, the sugarcane industry is the most subsidised industry.

What he also fails to understand, Sir, is that a lot of the cane farmers who currently need assistance, we are providing them the assistance, the fertilizer top-up is there and he does not mention that - \$25 million more. A bag of fertilizer costs \$45.65 before the pandemic, now it is over \$80. The farmers still continue to pay \$20 a bag. No other farmer in Fiji has that benefit, but he is not mentioning that even all the farmers.

So, Mr. Chairman, Sir, the point is that, we need to be able to put it into perspective even though in the pandemic, Government revenue went down by 50 percent. We still pay the \$85 a tonne because we gave an undertaking and now when the economy is bouncing back up again, we are saying that we will continue to pay \$85 a tonne. So, we cannot understand why he is doing that. Essentially, it is just some kind of gimmickry.

HON. PROF. B.C. PRASAD.- I thought the honourable Prime Minister, at least answered the question or made a sensible contribution but this convoluted response from the honourable Attorney-General is a real gimmick because he is not explaining. We know that in one of the Budgets he mentioned, that it will not be \$85. When we raised it, then he came and corrected it.

Mr. Chairman, Sir, it is our job sitting here in this Parliament right now in this Committee to ask this very specific and very sensible question. The honourable Attorney-General is saying that,

‘Oh, alright, you look at the world sugar market price’. He is not even providing even on the basis of the world market price today looking at the TCTs tonnes of cane needed to make a tonne of sugar and whether on the basis of that with the proceeds formula the farmers would still get \$85.

HON. A. SAYED-KHAIYUM.- It has got nothing to do with this.

HON. PROF. B.C. PRASAD.- No, no, that is the argument that you are making that, “Oh, this \$8 million is going to be enough.”

HON. A. SAYED-KHAIYUM.- You’re convoluted.

HON. PROF. B.C. PRASAD.- You are convoluted, not me. It is a very clear question. The honourable Prime Minister said the right thing that the Government is making an assurance even if the allocation is not here, the \$85 will be paid. That is fine, we accept that.

HON. SAYED-KHAIYUM.- You did not say that ....

HON. PROF. B.C. PRASAD.- No, he made the assurance that it will be paid.

MR. CHAIRMAN.- Order!

HON. SAYED-KHAIYUM.- Yes.

HON. PROF. B.C. PRASAD.- And I am saying that the allocation is not here and that is what you are not admitting that it is not there.

HON. SAYED-KHAIYUM.- The allocation is here.

Mr. Speaker, Sir, again, I have to do this basic maths. If the guaranteed price is \$85 and if, for example, the world market price is \$80, the government pays the \$25 difference. If the world market price goes up to \$80, the government has to pay the \$5 difference, that is the point. So, in other words, why would we make an allocation based on the world market price of \$60 when the world market price would be would be \$80, for example?

HON. PROF. B.C. PRASAD.- Mr. Chairman, Sir, anyway I will leave it there but it does not make sense to me, but I would still maintain that the allocation should be here and I want the honourable Members to support the motion.

(Honourable Members interjects)

MR. CHAIRMAN.- Order, order! .

HON. J.V. BAINIMARAMA.- Aye cane farmer, cane farmer ...

HON. S. ADIMAITOGA.- All you come and do here is complain.

MR. CHAIRMAN.- Order!

HON. PROF. B.C. PRASAD.- Cheerleader!

HON. S. ADIMAITOGA.- So? ...

MR. CHAIRMAN.- Order!

Honourable Whip, speak to your Member. We will now vote on this motion.

Question on amendment put.

Motion lost.

MR. CHAIRMAN.- We will now vote on Head 35.

Question put.

Head 35 agreed to.

Head 37 – Ministry of Local Government

MR. CHAIRMAN.- The floor is now open for any comments on Head 37-1-1.

HON. T. WAQANIKA.- Mr. Chairman, Programme 1-1-5, I just need a clarification from the honourable Minister on this E-Transaction cost. Can you please elaborate what this cost is?

HON. P.D. KUMAR.- E-Transaction?

HON. T. WAQANIKA.- Yes, please.

HON. P.D. KUMAR.- Mr. Chairman, the Government is moving toward e-transaction. That is to do with payment and receiving payments from other clients or customers and we will be using M-PAiSA and Electronic Funds Transfer at Point of Sale (EFTPOS) machines to receive payments, et cetera, so it is a whole of Government approach. So, we are going into digital transaction.

HON. T. WAQANIKA.- Another one, Mr. Chairman, if I may, on Programme 1-1-8 – Office Refurbishment (\$181,873). Can the honourable Minister, please, elaborate which office refurbishment is this?

HON. P.D. KUMAR.- Regarding office refurbishment, Mr. Chairman, the Ministry of Local Government occupied the Fiji Football Association Building (Fiji FA House) for the last 30 years and that building did not undergo any renovation either by the landlord or by the Ministry itself. So, it is undergoing major renovations by the landlord and we need this money for cabling work, office fit-out, et cetera.

HON. T. WAQANIKA.- Thank you, honourable Minister. Thank you, Mr. Chairman.

HON. S.R. RASOVA.- Mr. Chairman, I would just like to get a clarification from the honourable Minister with regard to the completion of Levuka Market. There is a new Savusavu Market.

HON. DR. M. REDDY.- What SEG?

HON. S.R. RASOVA.- SEG 10, sorry. Programme 1-2-10. There are new markets almost everywhere. Two years ago the Vunisea Market was put through to your attention in regard to the UN power. Two years later now, there is still no development on that market. Can you, please, clarify?

HON. P.D. KUMAR.- Mr. Chairman, again, we did a lot of work during the 2019 financial year and after that in year 2020 and 2021, we know what happened - COVID-19 and because of that, a lot of Municipal Council finances were diverted towards maintaining the safety of its clients, such as market vendors, public convenience, et cetera.

In terms of the market that you are mentioning, Levuka Market is already under construction. For Savusavu Market, as I have mentioned, the tender assessment process is going through and that would mean that once the tender is awarded, we will go into the construction phase. So, that is planned for the end of this month and if all goes well, that project will start.

Regarding Vunisea Market, that market comes under Suva City Council. They have visited the place and you can see that Vunisea is expanding but the size of the land where the current market is, is too small. There is no room for expansion. It is not appropriate for us to spend money unless and until we identify a land. However, based on my last visit, we have made a decision that we will just do a basic renovation until we are able to find a new site for a new market.

HON. DR. RATU A.R. LALABALAVU.- On SEG 6, just a point of clarification from the honourable Minister with regards to Waste Collection Subsidy - Municipal Councils. Does that allocation include other areas that the municipal councils look after in regards to waste collection?

HON. P.D. KUMAR.- There are two things that I would like to mention here, that is, provision under Rural Local Authority as well as we have certain sums available under waste subsidy.

Now, Rural Local Authority Municipal Councils have been looking after the extended boundaries like Taveuni and other extended boundaries. But that money is for the market to look after the market, as well as the development applications that we received from that area. The waste subsidy is given, again, to Municipal Councils to look after the extended boundary and this is mainly for the informal settlements that are there in the extended boundary.

HON. J. SAUKURU.- On SEG 10, I just need clarification on Lautoka Swimming Pool. What is covered in that allocation and if the honourable Minister can update the House as to when can we expect the Lautoka Swimming Pool to be opened?

HON. P.D. KUMAR.- Mr. Chairman, we had spoken about this peer review exercise previously. Lautoka Swimming Pool is under dispute between Lautoka City Council and the contractors and that requires a peer review so that the findings from the peer review and the recommendations made by that report can be taken into consideration and finding a way forward for that particular project. So that money has been set aside for that. The peer-review exercise is complete, the report is with us and further analysis and discussions will take place.

HON. M.R. LEAWARE.- On SEG 10 - National Fire Authority Capital Grant. I believe we spoke in this House about the building of Fire Stations especially in Navua and Pacific Harbour. I wonder if that allocation will include that.

HON. P.D. KUMAR.- Mr. Chairman, this allocation is \$3.8 million. The breakdown for that is construction of a new fire station for Navua, including purchasing of fire trucks, repair and upgrade of other fire stations, mainly Nausori, Levuka, Labasa and Ba.

HON. P.W. VOSANIBOLA.- Mr. Chairman, just a point of clarification on Programme 1-2-6 – Beautification of Heritage Buildings – Levuka Town Council (\$25,000). If you look at Head 21-8-1-10 – Rehabilitation of Levuka World Heritage Structure which is also in your portfolio, you have a \$1.5

million allocation. What is the difference between the two allocations – one is for building, one is for structure and who has to administrate those?

HON. P.D. KUMAR.- Mr. Chairman, he is talking about my other portfolio, that is, Education, Heritage and Arts, am I right?

HON. P.W. VOSANIBOLA.- Yes.

HON. P.D. KUMAR.- So, Heritage and Arts is part of Ministry of Education and that money was set aside for the Levuka Community Hall that we mentioned yesterday, including the renovation of St. John's Church. So, that comes under Heritage.

Under Local Government, we have Levuka Town Council and that money is for beautification work. What we have done going forward is, we have signed an MOU with the Levuka Town Council for certain other works that needed to be done in Levuka which is under heritage, for example, that \$50,000 which is allocated in the Budget.

HON. A.M. RADRODRO.- Mr. Chairman, I seek clarification on the allocation in Head 37-1-2-6 – Beautification of Heritage Buildings – Levuka Town Council (\$25,000). Is this based on the request from Levuka Town Council or is this what the Ministry decided upon in giving to the Council?

HON. P.D. KUMAR.- Mr. Chairman, we all know the budget process. People can come with a shopping list, but we need to prioritise based on the priority areas. So, for the last couple of years, we have been getting \$25,000 and we have invested it in upgrading the Governor's House, so a lot of work has been done. This money will be used for upgrading the kitchen and the maid's quarters.

HON. A.M. RADRODRO.- Mr. Chairman, on SEG 6, there is an allocation for CEO Salaries for respective Municipal Councils (Rakiraki, Tavua, Levuka, Savusavu and Sigatoka). Can the honourable Minister clarify the arrangement in the payment of CEO salaries, whether it is a standard salary paid out to all those Municipalities and whether that will be a short-term arrangement or long-term arrangement, given that there are a lot of outstanding issues noted by the Auditor-General in the respective Municipalities and whether there are indicators in relation to the Councils paying their salaries? They also have a rate collection mechanism within the Council. Can we just get clarification on that?

HON. P.D. KUMAR.- Mr. Chairman, one has to look at the size of the Municipalities. For example, Levuka, with only 166 ratepayers, how do you expect them to beautify Levuka to deliver all the services that Levuka Town Council is expected to do? Surely, we can increase the rate, but this is not the time to increase the rate because we know that people are going through hardship and we will not increase the rate, unlike the rest of the world.

In other countries, such as Australia and New Zealand, the Municipal Councils have increased their rate because they said that the cost has gone up. But for this Government, Mr. Chairman, we are actually helping the Councils to recover from this period so that they can stand on their own feet. But there are certain Municipal Councils that will need assistance all the time and these Councils are like Tavua that have only 311 ratepayers and Sigatoka with 249 ratepayers. So the number of Municipal Councils mentioned, like Nasinu, Sigatoka, Tavua, Levuka including Ba, we are helping them with salaries of their CEOs because we believe that they should be paid the right market rate, so that they can deliver their services.

One may wonder why Nasinu? Nasinu simply because the rate we are charging per dollar is so insignificant when we compare Nasinu with Suva. Nasinu invoice is just \$5 million, as compared to Suva, they invoice \$18 million and when we look at the population size, or even the number of ratepayers,

it is the same. That is the difficulty Nasinu is facing and for that reason, we are helping Nasinu to overcome that. Now, with the CEOs that we have, Nasinu has shown a lot of progress and I would like to thank the CEO and the new team operating in Nasinu. There is still a lot more work to be done but that corruption that used to happen in Nasinu has stopped. We have reported the matter, it is taken care of and we have got a new team committed to the Nasinu area.

HON. A.M. RADRODRO.- I would like to know whether this arrangement is going to be a short term or continuous arrangement or a long-term arrangement.

HON. P.D. KUMAR.- It is not a long-term arrangement. As soon as they are able to stand on their feet, it will be wind off.

MR. CHAIRMAN.- We will now vote on Head 37.

Question put.

Head 37 agreed to.

Head 40 – Ministry of Infrastructure and Meteorological Services.

HON. A.M. RADRODRO.- Mr. Chairman, Programme 2-2-9, there is a new allocation in terms of \$8.3 million. Can we just get a clarification and an update on the allocation that has been given there?

HON. J. USAMATE.- That Programme 2-2-9, which one?

HON. A.M. RADRODRO.- Yes, can we just get a detailed clarification on this allocation that has been given there for Supply and Installation of Nausori AWOS (\$800,000), Upgrade of Disaster Recovery Infrastructure Systems for Nadi and Laucala Bay (\$500,000) and the Radar Upgrade at Nausori (\$2,000,000).

HON. J. USAMATE.- Which one in particular - Supply and Installation of Nausori AWOS?

HON. A.M. RADRODRO.- The \$2,000,000 for Radar Upgrade.

HON. J. USAMATE.- The fund will basically be used to upgrade the radar in Nausori. It is aging and we need to upgrade it so it can provide the kind of assessment that they need for meteorological data that they need 24/7, and this will in turn allow for assistance for all of our early warning and detection of severe weather systems. It is just to upgrade the radar that we have. We have one in Nausori, one in Labasa and one in Nadi.

HON. RO F. TUISAWAU.- Mr. Chairman, a clarification from the honourable Minister on Programme 4-1-10 – Housewiring for Completed Grid Extension Projects (\$5,764,628). Could he provide a brief clarification on the extent and status to-date?

HON. J. USAMATE.- Mr. Chairman, that \$5.7 million has broken up into a number of different components. First of all, for Housewiring for Completed Grid Extension Projects, there are already grid extension projects about \$1.889 million to complete the house wiring in those ones. There is a new house wiring for grid extension where the grid will be extending and then putting a house wiring for that, and that is around \$2.7 million.

There is a new EFL grid extension house wiring for missed out houses and commission projects with another \$226,000, new minor house wiring project applications that came in the past of

around \$316,000 and also new minor house wiring projects from 20 to 21. There is a whole range of different house wiring that will be covered under that provision.

HON. DR. RATU A.R. LALABALAVU.- Mr. Chairman, SEG 7. Can the honourable Minister give an update on the Local Funding on Climate Change Resilient Renewable Energy Development Project - 1.55 MW Solar Project in Taveuni (\$530,000)?

HON. J. USAMATE.- Mr. Chairman, increase of funding by \$330,000, this is the payment under the VAT component of the project of 1.55 MW for the project in Taveuni. It is funded by Korea and this is the VAT component that the Government has to pay.

HON. RO F. TUISAWAU.- Mr. Chairman, I just need a clarification on SEG 10 - Solar Home Systems Programme (\$4,000,000). Is it possible to update about Beqa Island?

HON. J. USAMATE.- For Beqa Island in particular, I can pass on that information to the honourable Member.

MR. CHAIRMAN.- Honourable Members, we will now vote.

Question put.

Head 40 agreed to.

#### Head 41- Water Authority of Fiji

MR. CHAIRMAN.- Honourable Members, we will now vote on Head 41.

Head 41 agreed to.

#### Head 42- Ministry of Waterways and Environment

HON. S.R. RASOVA.- Mr. Chairman, 2-1-8, I would just like to ask the honourable Minister about the Coastal Erosion Protection Works (\$1.5 million). Last year during the May sitting, he mentioned about 12 villages in Kadavu, is it all inclusive of this programme?

HON. DR. M. REDDY.- Mr. Chairman, the \$1.5 million that has been allocated there has two components to it: Bau Island Coastal Protection Work, that will be rolled over; secondly is Ovea Village, which is quite an emergency situation of 350 meters. For Bau Island, the work at the moment is underway and about 20 percent has been completed, so there is money rolled over to complete that work. The work should be completed in a couple of months' time, and then we have got the new project that we want to start this year at Ovea Village, Tailevu, from this allocation.

HON. S.R. RASOVA.- Mr. Chairman, on 12<sup>th</sup> May Siting, he said that coastal protection for Kadavu was Namuana Village, Tavuki District School, Wailevu Village, Namuana Village, Nasau Village, Richmond Village, Nabukelevu Primary School, Nasegai, Levuka-i-Yale, Dravuwalu, Muani, Vabea Village and Rakiraki. That is what he said in May – is it not inclusive in here?

HON. A. SAYED-KHAIYUM.- In this budget also of \$1.5 million, there is also allocation for Wailevu - \$50,000 and Namuana - \$30,000, so \$80,000 for those two places in Kadavu. We cannot do it all at once.

Also just to let you know that through the Climate Change Division, we are working together very closely with the Ministry of Waterways in respect of getting the entire country assessed (and we will

do that in the next couple of months) to know exactly how many kilometres of seawalls we need to build. Out of that, how many kilometres of that would be actually nature-based solutions and how much of that would be conventional concrete wall based solutions. In that way, we can go out and have a programmatic approach to seawalls, as opposed to having one seawall here, one seawall there. We know exactly how to roll it out, and in that way also we get more development assistance from the perspective of the climate change umbrella under the adaptation umbrella. We are working closely with them to actually develop the entire programme for Fiji.

HON. RO F. TUISAWAU.- Mr. Chairman, on 2-1-8, I move:

That Head 42-2-1-8 - Drainage and Flood Protection be increased by \$5 million.

HON. J. SAUKURU.- I beg to second the motion.

HON. RO F. TUISAWAU.- Mr. Chairman, on that \$5 million; Drainage and Flood Protection we have \$3 million and I would like to propose that we add \$2 million basically for the Rewa Delta areas. I would like to acknowledge the honourable Minister and his staff at Luvuluvu, Nausori for responding quickly to some of the issues, especially regarding one of the damaged floodgates which was flooding the road - there is a need to review the floodgates and drains and also the river bank erosion.

The other is on the Coastal Erosion Protection Works. Again, this had been mentioned in the previous budgets, particularly for Beqa Island. The funding had been mentioned but according to the information I have this was for Soliaga, Nawaisomo, Rukua, Dakuni and also Dakuibeqa. Not only that but in the delta itself, Nukui Village is really under threat through flooding of seawater through the plantations, et cetera, and even part of the village and Laucala Island.

So, it is proposed that we add \$2 million and the last one was on outsourcing - dredging of major rivers and creeks. The mouth of Navua River is quite shallow there and because of that, when the tide comes in, there are huge waves there, so it has always been a threat to the villagers coming in from Beqa and a few boats have capsized there. We had made requests through the normal channel for that to be dredged and the dredging of that is proposed to add \$1 million so a total of \$5 million proposed in terms of Programme 2-1-8.

HON. DR. M. REDDY.- Mr. Chairman, Sir, we are well aware of the situation with regards to major rivers around Fiji. In addition to the major rivers, there are secondary waterways, secondary rivers and we have advertised close to 160 of them to seek expressions of interest from private sector operators who would want to, on a private-public partnership arrangement, desilt and dredge some of these rivers where possible.

For Navua River, we have got an expression of interest from a dredging company, but there is some work that needs to be done before we can get them the licence to dredge. Navua River is on our list and we have got an interest. We have got an allocation for dredging of major rivers and creeks which include Naikela River Bank Protection Works, Riverbank Protection Works in Bua Village and then Waidamu River Dredging Work.

Waidamu is right on top of our list because Waidamu River is filled with silt, we have been using the excavator boom extension from Vuci Road upstream. Now downstream, the river is very wide so we cannot use an excavator boom extension, we need a dredger. The allocation of \$3 million for this financial year is for dredging work in Waidamu River because of the overflowing effect of water onto the Rewa Delta areas. Waidamu River dredging is on our list and this year we will call for tenders and engage a contractor.

For the Navua River we want to do it under the PPP arrangement, so wherever possible we want to engage the private sector so that we save government resources. As mentioned by the honourable Minister, we are actively looking at development partners and I have got a list of coastal protection works that has already been taken up by the donor funding, like the Kiwa Initiative funding that we had submitted. We will be doing coastal protection work for Mali Island, in the villages of Nakawaga, Vesi and Ligaulevu, then Somosomo Village, Navolau Village No. 1 in Ra and Navola Village in Nadroga/Navosa so we have got a comprehensive list. We are looking at dredging and also coastal protection works, as well as riverbank protection works.

HON. RO F. TUISAWAU.- Thank you, honourable Minister for those details – acknowledged and appreciated.

The Navua River, just to clarify, it is the dredging of the river mouth and not the whole river? In terms of the dredging of rivers and creeks, one of the issues discussed with the *Turaga ni Koro* in Rewa was the lack of supervision of all those who are operating the diggers. So, we ended up with some of the creeks really widened so the seawater is coming through. I suppose that is a request that could be reviewed and also some of the floodgates. That is all I wanted to add. Thank you, Mr. Chairman.

MR. CHAIRMAN.- Honourable Members, we will now vote on this motion.

Question on amendment put.

Motion lost.

HON. L.S. QEREQERETABUA.- Mr. Chairman, I just wanted to seek clarification before I move my two motions on Head 42-3-1-7. Honourable Minister, could you please clarify in SEG 7, Compliance and Enforcement of EIA (\$10,000) and Implementation and Enforcement of the Environment Management Act (\$30,000), please?

HON. DR. M. REDDY.- Mr. Chairman, on compliance and enforcement of EIA, we have an allocation of \$10,000. It is a mandatory requirement under Regulation 34 of the Environment Management EIA Process Regulations 2007. It is important that we have that budget to allow officers, particularly in this case, to travel by boat to outer islands and where the development is taking place, to undertake the compliance and surveillance work as well as undertake soil and water testing. So, this is for that particular work in the Eastern Division.

HON. L.S. QEREQERETABUA.- The second part of the question is on the allocation of \$30,000 implementation and enforcement of the EIA, Environment Management Act please.

HON. DR. M. REDDY.- What is your exact question?

HON. L.S. QEREQERETABUA.- I am just asking for clarification on this \$30,000 allocation.

HON. DR. M. REDDY.- Yes, there have been situations where we had less number of staff to undertake this work. So, we are looking at getting graduates and using them while they also get trained to undertake this work.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Chairman. I would, therefore, like to move a couple of motions under this Head 42.

On Programme 3-1-7, Mr. Chairman, I move:

To increase this allocation for the compliance and enforcement of EIA by \$90,000.

HON. LT. COL. P. TIKODUADUA.- I second the motion.

HON. DR. M. REDDY.- Why \$90,000, why not \$100,000 or \$80,000? Did you do some computation?

HON. L.S. QEREQERETABUA.- Mr. Chairman, I thank the honourable Minister for the clarification.

Mr. Chairman, as we all know about the Malolo saga, about so many complaints coming in through the Department of Environment and I, myself, have been involved in several cases where citizens have come to me to complain about the fact that despite numerous calls to the Department of Environment they have been told to wait, they did not transport, the complainants have invited, have offered their own transport to take the staff to go and check on areas where they complained. This is why I am moving this because they obviously need the resourcing to be able to reach the outer-islands as the honourable Minister just rightly said a few minutes ago.

Also, I would just like to repeat, Mr. Chairman, that in December 2018, Dr. David. R. Boyd who was the UN Special Rapporteur on Human Rights and Environment made a visit to Fiji and I accompanied him and his colleague, Ms. Huang, on several sites in Fiji. In his report back to the Government, Mr. Boyd said that it was clear that the Ministry of Environment is seriously under resourced and this is one of the many reasons that I would really like to have honourable Members support my motion to increase this allocation by \$90,000. We talk about climate change, we talk about protecting our environment; why are we not adequately resourcing this very important Department of Environment?

MR. CHAIRMAN.- The floor is open.

HON. DR. M. REDDY.- Mr. Chairman, she can talk to Dr. Boyd, why can she not come and talk to us and we can explain to her what is the situation on the ground? I mean, simple as that. We are here just across the road.

HON. A. SAYED-KHAIYUM.- Sir, honourable Qereqeretabua has this particular narrative that the Government is not concerned about the environment. There is a legal obligation on Government under the Constitution to adhere to the provision of the Constitution. For the first time, we actually have a Constitution that gives environmental rights to the citizens of this country; never been done before. So, there is a legal obligation on the state.

If she were to read the reports by Dr. Boyd or any other expert, if they went to every single country in this earth, they would all say that they need to have more compliance. There needs to be a lot of strain put on many environments currently in the world. Even in places like Australia, there are environmental issues too. So, please, get away from this mindset that Fiji is the only one that is neglecting its environment. Secondly, if she actually looked at the trend of expenditure, if she saw the trend of expenditure compared to 2020-2021, we have increased funding, for example, in the 2021 Revised Budget both for staffing and various other areas.

Thirdly, increasing it by \$90,000, she needs to understand it does not necessarily mean that suddenly there will be greater compliance. There is enough resources, you need to have trained people to actually go out and do the assessment. She harps on about Malolo but fails to time and time again mention the fact that Malolo was a successful prosecution. The people, for the first time, the company got charged the largest sum of penalty under any jurisdiction in Fiji at any point in time.

No one acknowledges that. And if Government did not have the will, it would not have gone through the prosecution.

It also goes to show there is an independent prosecutorial process. Of course, one can argue and say, "Prosecution is not good, it should be stopped in the first place." We agree. But if people are going to do things in the dark of the night, if people are going to do things with those people who live around that area are in complicit with them will not help. We saw the villagers around that area who were given free boats and they turned a blind eye to it.

Neighbouring landowners were actually complicit in that also. She does not acknowledge that. Every single blame is put on the Government. The Government does not go and put someone there 24/7 to look at what is happening. Do not shake your head it is a fact. It is like saying when there is a law not to steal that people will not steal. The point is, when people steal, the question is how quickly can you do the prosecution, whether you actually want to do the prosecution or not?

There are a lot of young people, again we are taking a holistic approach to this, if you look at the scholarships in Toppers, TELS, a number of reserved places are there for people to do Environmental Science, Forestry, Fisheries. We want that kind of skillsets amongst our people. Not many people pursue a profession as Environmental Science. Everyone wants their children to become doctors, teachers and engineers. No one tells them, "Go and do counselling, forestry, marine science, so we need to build a cadre of people who can do this and that is what is happening.

Unfortunately, my last point, Mr. Chairman on this is, every time the Opposition stand up, in particular NFP, and run down the Ministry of Environment, we get so many text messages from the people who work at the Ministry of Environment saying that these people do not know what we do, the hardships we actually have to go through in terms of ensuring people are compliant with the law.

HON. PROF. B.C. PRASAD.- Nothing wrong with highlighting the problems.

HON. DR. M. REDDY.- What is the problem?

HON. L.S. QEREQERETABUA.- Mr. Chairman, the honourable Attorney-General has absolutely missed the point. I know we blame the Government, all I am asking for is to resource the Department of Environment better. The honourable Minister in his first reply to my motion said that they need to send people to the islands and I think there is a need for just more resourcing for this Department. I have no idea where this blame game is coming from. Definitely, I am not blaming, I am just asking that this Department is better resourced.

MR. CHAIRMAN.- We will now vote on this motion that Head 42 be increased by \$90,000 in Programme 3-1-7 with respect to Compliance and Enforcement of EIA.

Question on amendment put.

Motion lost.

HON. L.S. QEREQERETABUA.- Mr. Chairman, my second motion is in relation to SEG 7, again the Implementation and Enforcement of the Enforcement of the Environment Management Act, allocated here for (\$30,000).

Mr. Chairman, I move:

That that allocation be increased by \$2,000,000.

HON. LT. COL. P. TIKODUADUA.- I second, Mr. Chairman.

HON. L.S. QEREQERETABUA.- Mr. Chairman, as I have said before, we have seen numerous violations of the Fiji Environment Management Act and I believe it is our responsibility to approve and increase to the Department of Environment so that they have the resource, strength, power, more eyes and more means of travelling to different places where the complaints are coming from. I think it is incumbent on us to assist and help the management of our environment by approving this increase of \$2 million to the implementation and enforcement of the Environment Management Act.

HON. DR. M. REDDY.- Mr. Chairman, I think again the honourable Member does understand the EIA process. It is not only about more money or more resources. It is about advocacy, awareness of the requirement of EIA that investors need to comply with. That is something we are now increasingly undertaking. We have got EIA clinics that we never used to do before. From the last two years, we are having EIA clinics in Nadi in particular, there are a lot of investments happening in Nadi, Savusavu and Sigatoka. We have several rounds of EIA roundtable throughout Fiji in a year.

We go and explain to them that they need to fill up a EIA screening application, the Ministry will then undertake a screening to see whether the EIA is required. If the EIA is required, we then give them a terms of reference that they need to follow, we then give them a list of EIA consultants for each area of EIA that they need to appoint, engage and undertake the EIA. Once we get the EIA Report then we get the Environmental Management Plan to them that they need to adhere to the Plan while undertaking that particular investment and then comes the monitoring part.

Mr. Chairman, the honourable Member is only talking about the last part. She fails to realise that there are a lot of work that goes from the beginning where each investor must know that they need to apply for screening for their investment on whether the EIA is required. If the EIA is required, what is the terms of reference? All these things are addressed by the Ministry of Environment when dealing with the investors as they come to us.

HON. L.S. QEREQERETABUA.- Thank you, honourable Minister, for your comments. I just want to note in my right of reply that Fiji has ratified Multilateral Environment Agreements as well as Human Rights Treaties but I just want to stress again that we must have a strong Ministry of Environment to help fulfil our commitments.

MR. CHAIRMAN.- Honourable Members, we will now vote on this motion that Head 42 be increased by \$2 million in Programme 3-1-7 with respect to Implementation and Enforcement of the Environment Management Act.

Question on amendment put.

Motion lost.

HON. M. BULANAUCA.- Mr. Chairman, my motion goes back to Programme 2-1.

MR. CHAIRMAN.- We have gone past Programme 2. Honourable Members, we will now vote on Head 42 – Ministry of Waterways and Environment.

Question put.

Head 42 agreed to.

MR. CHAIRMAN.- Honourable Members, on that note we will take a break for lunch and resume in an hour's time.

The Parliament adjourned at 12.53 p.m.

The Parliament resumed at 2.08 p.m.

Head 43 - Fiji Roads Authority

HON. RO F. TUISAWAU.- Mr. Chairman, I again raise some issues from the constituency, even though there is no separate constituency. We have to be realistic politically. It is a genuine issue, even though I did joke.

The motion is to increase but before that, I may seek clarification from the honourable Minister regarding increases related to roads. If he could confirm that that would be under capital grant?

HON. J. USAMATE.- Sorry, I did not get the question.

HON. RO F. TUISAWAU.- For roads, will that be under capital grant, maintenance or construction and footpaths?

HON. J. USAMATE.- Yes.

HON. RO F. TUISAWAU.- So for Programme 1-1-10, proposing an increase of \$10 million. I had mentioned before the Navua Jetty regarding the villagers in Beqa who frequently use that on a daily basis up to now. It is their safety and I suppose the standard there needs to be looked at and improved. Not only that but also the facilities there as the population has increased and there is frequent travel between Navua Jetty point and the Island - the waiting hours and also utilities for the people.

In addition to that, there are safety issues from Wainibokasi to Nasali footpaths, and then we have the roads from Tokatoka right up through that delta area that needs to be taken into account. But the other two is probably in the programme. I understand Toga Bridge and also the Nasali Crossing to Vutia Road probably the honourable Minister could update on those two before I move the motion.

HON. J. USAMATE.- Mr. Chairman, for renewal of jetties that are programmed for this year in terms of investigation and design are Koro, Makogai, Moala, Nabukeru, Lomaloma and Vunisea too, which is a new one. What they have done for the jetties is, they look at all of the jetties and then they are prioritised according to the criteria that are used by FRA.

At the moment we know that the three major jetties, for which we are completing with designs are Natovi, Taveuni and Savusavu. For those ones we are about to complete the designs, then we will go into construction. So the next set that is being looked at are the ones that I have mentioned. I can confirm at the moment Navua is probably part of the things that FRA is considering, but they will be programmed as we move through all the jetties that need to be looked at. In terms of Toga Bridge, there is \$3 million that has been allocated for construction.

In terms of repairs and maintenance, there is a budget for maintenance of roads, and the total repair of road corridor maintenance has a total budget of around \$71.6 million. As we know, for all roads in Fiji, there is a repair and maintenance programme so that will cover the repairs and maintenance of the various roads that we have. We also have money for sealed road rehabilitation, unsealed renewal, traffic light renewals, streetlight renewals and renewal of bridges.

Various bridges are funded in this budget, including some of the modular bridges that we have. Especially, in the Western Division there are two bridges, including Naseyani in the West,

Nayarabale in Vanua Levu, Vunikawakawa in Labasa. There is also the Viria single lane bailey bridge that you will have, and the demolition of the old Tamavua-i-Wai Bridge that will be financed by JICA. Those are some of the updates on the bridges and the repairs and maintenance that will be undertaken as part of this budget.

HON. RO F. TUISAWAU.- Mr. Chairman, I move:

That Head 43-1-1-10 be increased by an additional \$10 million for the capital grants, on the basis as I have already explained.

HON. M. BULANAUCA.- I second the motion, Sir.

HON. RO F. TUISAWAU.- As already explained and confirmed by the honourable Minister that there are some gaps in terms of the programming and as I have already explained the various proposals I have made in terms of the Navua Jetty, footpaths, Tokotoko North Road and a few others which I have mentioned as the basis for that increase. That is all.

HON. J. USAMATE.- Mr. Chairman, Sir, I think the honourable Member has not given any outline where he is putting this \$10 million figure from but let me just confirm that in terms of seal road maintenance, there is \$6.5 million budgeted for footpaths around \$2.6 million and for various other areas and also as part of the budget that we have here for Rural Unsealed Roads.

There is money budgeted for various roads that we are in the process of completing including the Vunisea- Vacalea Road, more than \$3 million. There is money allocated for Pilot Cutting of new Roads. I think the honourable Attorney-General has talked about the Lagi-Tawake and the Tawake-Wainika Road and other roads across Viti Levu, Noikoro Navitilevu, Vagadra, prefeasibility of the Kavanagasau Road, pilot cutting of new access roads to Nasauvakarua in the main inland of Viti Levu. Other roads right across Beqa steep hill, Nukusere, Namuamua, Wainiyavu, Wainilotulevu and also landing works for new jetty constructions in Kiuva and also in Korolevu. So, there is a whole range of issues that have been highlighted.

I think it is also important to realise that as you are programming the work that needs to be undertaken, a lot of work in terms of FRA is done in phases. Sometimes there is a pre-feasibility, the feasibility exercises, that is acquiring the land and all these things are phased over time. So, the Budget heads that have been put together also take into recognition the capacity of our existing contractors. We have limited the number of contractors in Fiji and they can only do a certain amount of work and all that is taken into account as FRA puts together its programme for the year. Thank you, Mr. Chairman, Sir.

MR. CHAIRMAN.- We will now vote on this motion.

Question on amendment put.

Motion lost.

MR. CHAIRMAN.- Honourable Members we will now vote on Head 43 – Fiji Roads Authority.

Question put.

Head 43 agreed to.

Head 49 – Peacekeeping Missions

Honourable Members we will vote on Head 49.

Question put.

Head 49 agreed to.

Head 50 - Miscellaneous Services

MR. CHAIRMAN.- The floor is now open for any comments on Head 50 - SEG 1, SEG 2, SEG 3, SEG 4, SEG 5.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I have two motions relating to SEG 5 Sub-SEGs 8 and 9. Both are related to public service broadcast. I have noted it to you separately, however, I could combine them if you wish because they are both related to the same entity.

MR. CHAIRMAN.- We will take one at a time.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I would like to move:

That SEG 5 Sub-SEG 8 – Public Service Broadcast (TV) be decreased by \$3 million.

HON. L.S. QEREQERETABUA.- I second the motion, Mr. Chairman.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, this is pretty much the same argument for both SEGs 8 and 9. The FBC owes the people of Fiji an explanation in terms of the funds that has been allocated to it from 2017. We consider this a wilful *dinau* or debt to the people through Parliament and it is unbeknown that an entity that is funded by the people of Fiji does not report to it for a very long time so we cannot continue to give to it if it cannot comply to report to the people through Parliament therefore I recommend that the allocation for SEG 8 which is for television and broadcast be reduced by \$3 million.

HON. A. SAYED-KHAIYUM.- Sir, we have been down this track before. This is just a political gimmick for them. Essentially, Sir, they are saying there is no reporting, annual reports of FBC are presented to Parliament, the committees actually go through it so I do not know what he is harping on about. Again, misleading Parliament but as we have said, we have exhausted this topic on a number of occasions and explained it why so we do not need to explain any further.

HON. RO F. TUISAWAU.- Mr. Chairman, I speak in support of the motion to reduce that public service broadcast television. Sir, the FBC TV, as we understand, have taken out a loan from FDB. We have been running with it and they have been funded, as explained, from public funds for the last few years. We have here a total of more than \$10 million so the question is, when will it run as a business entity because it is depending on Government public funds to survive and it has been doing that since it was established? That is the question we would like to ask. When it will run as a business because at the moment, it is subsidised by the public?

The other issue here you have explained that the public services to the people and my question is, what is the value of these services in terms of money and also in terms of the value or quality of what is being delivered? That needs to be clearly determined. Why this has not been tendered out because there are other service providers who can do this? That is my contribution, Sir.

HON. A. SAYED-KHAIYUM.- Sir, I feel I have to respond to that, honourable Tuisawau, because he is actually a hypocrite. He has sat on the Committee when Fiji Broadcasting Corporation (FBC) appeared before it. He knows full well, the value of air time that we get for Public Service Broadcast worth over \$20 million. He knows that, it is in the Report that is your real state that is your business.

He is again saying, "Oh, we do not know about this." He also knows there is only one radio station in Fiji that provides Amplitude Modulation (AM) services. No other station provides (AM) services. So, if you want to do public broadcast, you will say let us give it to CFL. Let us give it to them so the people in Lau will not get to hear them. We are now trying to invest in *Walesi* so Frequency Modulation (FM) can be available to everyone which will include CFL and other stations. In the meantime it is only AM.

Everyone knows that AM travels better over water - long distances. An AM antenna as you should know by now, if you are sitting in the Committee and I hope you have to Naulu where their actual antenna is actually in the ground, it needs wet soil to transmit better, to get to Southern Lau, Rotuma, Cikobia. Despite knowing those facts, all of you here are harping on about the same thing even though the facts are staring in your face because you see there are some kind of political too. That's what you are doing.

Sir, honourable Tikoduadua says no accountability. Annual Reports are presented to this Parliament. You sit on that Committee, yet despite that, you keep on doing that. Update yourself, like honourable Qereqeretabua got it wrong the other day that Annual Reports are more up to date and honourable Salote Radrodro. Check that before you come and say those things.

Mr. Chairman, Sir, again, the value that we are getting from this is far more and how can we go and force other radio stations to put AM. It cost millions of dollars to put AM Stations. You are not putting into perspective what used to happen with FBC before that. What happened in 2002, 2001? How much money went down the gurgler?

HON. RO F. TUISAWAU.- Just to respond to the honourable Minister, the issue here too is, he is saying the value for money. That is why I am saying that we are talking about the TV here not the radio and that is what we are debating on which is the subject of the motion. There is another TV station and that should be tendered out so that we see in terms of value for money whether the public funds which are being used by the FBC Television is worth what he is saying. That is exactly what I am saying.

He is saying the value of that has been presented to the Committee. That value is the perspective of the FBC executives. It is not the perspective of someone independently assessing the value. That is another issue which needs to be clear. Let us do an independent evaluation of the services provided and tender it out and see who would be the best to provide these services which we are describing at SEG 8, which is TV.

Finally, the major concern here is that, FBC has been used as a propaganda tool by the Government in terms of its election campaign.

HON. A. SAYED-KHAIYUM- What is he saying? You are a twisted man.

HON. RO. F. TUISAWAU.- The biasness is there and that is a concern, so let us have an independent evaluation, tender it out so that all the other providers have an opportunity and in fact, there should be an independent review of FBC, whether it is really independent. That is what we are concerned about.

HON. A. SAYED-KHAIYUM.- Sir, I can hear your comment, you have commended twice, it is in the Committee.

Mr. Chairman, again, he obfuscates the issue. Everyone knows that radio programmes are also broadcast on television. You go on the RF1 station, you go on the RF2 station, it is also broadcasted on television. This public service broadcast time, you know that too and you say, oh that is a perspective. It is very easily ascertainable what the market value is. You just need to go and look at the advertising rates that has also been presented to you. Do not come and give all these keyword perspective.

HON. RO. F. TUISAWAU.- It is tempered by them, not the independent.

HON. A. SAYED-KHAIYUM.- It is very easy, go today and ask how much summaries, they are going to sell you a 30 seconds spot for? How much summaries are they going to sell for one minute spot to you for? Very easily to ascertain and you then do your calculations. I know maths is not your strong point, just multiply that by the number of hours and then you get the volume and you get the value.

HON. RO. F. TUISAWAU.- It is suggesting for you to be independently assessed to be provided by them. That is what I am asking.

HON. A. SAYED-KHAIYUM.- You can go and do it yourself. Why did the Committee do it?

HON. RO. F. TUISAWAU.- Should I go and do it?

HON. A. SAYED-KHAIYUM.- Because you are the one questioning it.

HON. RO. F. TUISAWAU.- You should do it, you are the Minister. Why should I do it?

HON. A. SAYED-KHAIYUM.- We have already done it.

HON. RO. F. TUISAWAU.- You are being paid to do everything.

MR. CHAIRMAN.- Do not talk amongst yourselves.

HON. A. SAYED-KHAIYUM.- You are a bitter man, that is why you have a problem.

HON. RO. F. TUISAWAU.- No, you are a bitter man, not me.

HON. A. SAYED-KHAIYUM.- You are extremely bitter and you are an extremist.

HON. RO. F. TUISAWAU.- That is why you paid your brother the compensation.

HON. A. SAYED-KHAIYUM.- You are an extremist, that is your problem.

HON. RO. F. TUISAWAU.- Why did you pay him the bonus of \$20,000?

MR. CHAIRMAN.- Let us move on.

HON. PROF. B.C. PRASAD.- Thank you, Mr. Chairman. The honourable Attorney-General has got a bad habit of not calling people names. He calls me “twisted”, I can call him many names but I will not.

The subject that we are debating right now is the allocation for a National Broadcaster TV public broadcast and he knows. This is what the mover of the motion is saying, the value for money. In any country, any democracy, a public broadcaster funded by the taxpayers of this country will practise ethical and honest journalism. You know that they do not.

That is why, Mr. Chairman, I do not talk to FBC. I know what happens there. You go to New Zealand and Australia, you can imagine the Australian Broadcasting Corporation (ABC) or the BBC funded by the taxpayers, and you expect them to be ethical.

I do not care who runs the station or who is the CEO, that is not an issue for me and I have no problems with that but the problem I have is the practice or the value for money because people out there (taxpayers) of this country expect a fair coverage. Everyone in this country knows what FBC does in terms of its news coverage. The people out there know, the women and children now know that it is a government propaganda outlet funded by the taxpayers. *Fiji Times* does not get any money from Government, CFL does not get any money from you.

HON. A. SAYED-KHAIYUM.- Do not be biased, but therefore it can be biased.

HON. PROF. B.C. PRASAD.- You said CFL is a “lackey”.

HON. A. SAYED-KHAIYUM.- Of course, it is.

HON. PROF. B.C. PRASAD.- Well, you can say it outside.

HON. A. SAYED-KHAIYUM.- I said it, I have already said it this morning.

HON. PROF. B.C. PRASAD.- Because they tell the truth.

(Laughter)

HON. PROF. B.C. PRASAD.- They give you a balanced coverage, that is a standard. Actually, they are setting the standard of fair ethical journalism. You know that, do not laugh.

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

HON. PROF. B.C. PRASAD.- You are a complete joke when it comes to understanding this issue.

HON. A. SAYED-KHAIYUM.- Come on, do something original.

HON. PROF. B.C. PRASAD.- This is original, this is about democracy, this is about good use of taxpayers’ funds. Honourable Attorney-General, you have to understand that man. For once, I do not mind if Government gets the coverage. *Fiji Times* gives you more coverage than probably they do to us sometimes.

HON. A. SAYED-KHAIYUM.- What kind of coverage?

HON. PROF. B.C. PRASAD.- They are practicing ethical, fair and balanced journalism.

HON. A. SAYED-KHAIYUM.- Pigs are flying outside.

HON. PROF. B.C. PRASAD.- That is why we have problems in this Parliament, approving anything for this public broadcaster. They must come out openly, publicly and I have told them that I will only talk if you come out openly, publicly and, at least, say that you are going to be balanced, that you are going to be fair, whether you do it or not at least say because you are funded by the taxpayers of this country. They expect you to be balanced. That is what I am saying, you do not know anything about it.

(Chorus of interjections)

MR. CHAIRMAN.- Order!

HON. LT. COL. I.B. SERUIRATU.- Mr. Chairman, I find this quite interesting. We would all recall that two Budgets ago, the honourable Leader of SODELPA moved a motion to increase the allocation given to FBC after hearing the work that they did during Committee. He was so impressed and he argued in this august House that they are not given the allocation that is due to the organisation. As already alluded to, the cost of their services for the air time is worth around \$20 million.

Mr. Chairman, Sir, from NDMO particularly, when we want to send information, particularly on alerting our people when it comes to disasters, tsunamis, et cetera this is the only form of communication that we have with rural Fiji, particularly the people out there in the outer islands. The question has been asked, when can it run as a full commercial entity? But let us not forget the fact that not every services provided and that does not take away the fact that we want it to at least break even, in terms of its costing but let us not forget Government's social responsibility as well.

As much as we want FBC to operate as a commercial entity but unfortunately, it is only Government that at times in some of the services that it offers, can operate at a loss because of its social responsibility. We have talked about the Lau Group this morning, Mr. Chairman. The honourable Jale was talking about improving services, shipping services. Lau in the last Provincial Council meeting in the analysis that was undertaken by the Ministry's involved, there are only 11 percent of Lauans in Lau. We are all concerned about the rural urban migration, Mr. Chairman, Sir, but they are still citizens of this country. Of course, we have to reach out to them so that no one is left behind and that is the social responsibility of Government. In instances as such, it needs to be funded by the tax payers of this country.

Again, I find it strange, Mr. Chairman, because when they appeared before the Committee, few years ago, unfortunately, the honourable Gavoka is not in. He was the one that moved in this Chamber that they are underfunded and they need more funds. We all know where all these arguments are coming from. We get the CEO out of this organisation and I think this will not, because it has been personalised unfortunately. Thank you, Mr. Chairman.

MR. CHAIRMAN.- Honourable Tikoduadua you have the floor for your right of reply.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I thank the honourable Members who have contributed to this motion. Unfortunately, it has wandered off from the heart of what was being proposed in the motion here and the reason why we need to reduce Public Service Broadcast [TV] by \$3 million. It is purely because, the Fiji Broadcasting Corporation has not submitted a report to Parliament since 2017. Yes, it has been submitting reports, but it is not up-to-date. In that regard we are moving this, we recognise the services that it is providing for the nation, as rightfully pointed out by the honourable Seruiratu, it is a Government responsibility, so it may not be profitable at times, but that is okay.

The reporting procedure is a requirement for every Government department and ministry that needs to report to Parliament and that is the point of it. Also we are concerned, as the honourable Professor Prasad has said, in terms of the biasness and the unethical journalism that we often experience

from FBC in that regard. That is my concluding remark to this, Mr. Chairman, and it will be my same remark as well in terms of SEG 5(9).

MR. CHAIRMAN.- Honourable Members, we will now vote on this motion.

Question on amendment put.

Motion lost.

MR. CHAIRMAN.- I now give the floor to the honourable Tuisawau. I am coming to your second motion after this. You have had enough air time so far.

HON. RO F. TUISAWAU.- Mr. Chairman, I withdraw the motion because it is of a similar nature.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I think, much of our debate on the last motion had contributions into SEG 5(9) as well, and I will take my guidance from you. But, the motion is there, a reduction of that SEG by \$6 million subsequently, reducing Head 50 in that regard for the various notes that have already been made.

HON. A. SAYED-KHAIYUM.- Mr. Chairman, I think the contributions by honourable Professor Prasad and honourable Tuisawau, essentially captured what honourable Seruiratu said. One said it is because of my brother and the honourable Professor Prasad said it is because that he feels the media organisation is biased that is why. Both of those issues, in fact, negate the point that has been made in that they are providing a particular service which actually comes at a cost, and the cost that Government is paying is far less than what we are actually getting in return.

Fundamentally that is the issue. Honourable Professor Prasad's whole rationale for opposing this, is because he thinks they are biased, and that is precisely the point we have been making - that when anything is reported or any decision that goes not their way, then that organisation, that person or that institution is, therefore biased. That is their rationale. Anything is only fair or independent if it says something that they agree with, and that is their rationale in anything that they are saying.

Mr. Chairman, I again wish to highlight the point that this is about radio and again there are many radio services but the only AM radio service provided in Fiji is through FBC. On the annual report, honourable Tikoduadua has not taken that supposed principled position in other organisations where annual reports are still coming and they are funded by taxpayers of Fiji, but they have not said to reduce their funding. Many organisations that we have done, that we give grants to, but they have not said let us cut their funding until we get all their annual accounts as long as it is up-to-date then we will do it - it is not a principled position.

You see, Mr. Speaker, Sir, the rationale, therefore, is not a principled position because there are other organisations here whose Annual Reports are far behind, but they have not stood up and said, "let us put their funding on hold, even though we know they are doing a good job, wait until we get the Annual Reports then we will do it." That is precisely what he said, Sir. The rationale for this is, obviously, all very politically motivated. Thank you, Sir.

HON. PROF. B.C. PRASAD.- I think the honourable Attorney-General has the gift of the gab to exaggerate and twist and turn the intentions of the motion. We have in this Parliament, Mr. Chairman, you know raised the issue of Annual Reports for every entity.

HON. A. SAYED-KHAIYUM.- But you have not asked for their funding to be put on hold.

What is the point?

HON. PROF. B.C. PRASAD.- In many cases, we did.

HON. A. SAYED-KHAIYUM.- Not today, not yesterday, you did not,

HON. PROF. B.C. PRASAD.- You know that, it is flimsy kind of argument that he is putting to hide the substantial point that we are making about the use of the taxpayers' funds to buy this particular organisation to be a government mouthpiece. That is what we are saying.

HON. LT. COL. I.B. SERUIRATU.- Mr. Chairman, Sir, I still want to go back to this AM frequency that the public service broadcast is involved in and that is why I am worried about reducing or taking away the allocation.

From the Ministry of Rural Development and National Disaster Management Office (NDMO), let me take back the honourable Members to this issue. They have taken away this service because it does not bring any profits to them but when it comes to warning systems, the early warning systems is high on the agenda of the Sendai Framework, which is the Disaster Risk Reduction. We need to reach out to all our people. We have to go back to Naulu and even find some of the old staff of the FBC who knew the background behind this AM radio station.

As I have stated, because they are funded by the taxpayers money, they were willing to take back this service but we are thankful that the Japanese Government came to our assistance. It was funded by the Japanese Government to have the systems back on and then included as part of the services provided because they were not willing to take it up. This is the social responsibility that I am talking about and I am sure that there is no service provider that is willing to take this from a commercial perspective if there is no return, if there is no profit and again, let us value lives.

It is one thing whether it is used for political agenda whatever according to some people but this is the only means of communication that reaches out to the remote of the remotest in Fiji, the extreme rural. It is not only about warning assistance or whatever, everyone is looking forward to when the ship next arrives into the islands - all the information. When we have provincial council meetings, this is the way we communicate to most of our people in the rural areas and if we take out this, how can we be able to provide this service? It is not logical. Thank you, Mr. Chairman.

HON. P.D. KUMAR.- Mr. Chairman, Sir, FBC is providing an important function for the nation and as the Minister has highlighted, it reaches out to the people who are living in the rural and remote areas. But I can tell you, Sir, that during COVID-19 when schools were closed down, that was one of the ways through which we were able to teach our students. We were able to not only broadcast certain lessons for our children and prepare them during that period, but we also needed help from FBC to prepare information that was broadcast on the education channel to help Year 12 and 13 students to prepare for their exams. They provided a very valuable service and I do not see any reason why we should be reducing the budget here. Thank you, Chair.

HON. DR. I. WAQAINABETE.- Mr. Chairman, the work done by FBC specifically during the COVID-19 outbreak has been very helpful to us - comprehensive and above and beyond, as alluded to by the honourable Minister for Economy and also my colleagues - above and beyond what we would normally pay.

As you know it was a very fluid time, there were decisions that were made on the go and we contacted the Ministry of Information very quickly and made sure that the information went out. It is also interesting to note, Sir, that despite AM being only available in the outer islands, I know that quite a

significant number of people in Viti Levu and Vanua Levu, who were within reach of the FM radio frequency, still chose the AM radio of Radio Fiji One and Radio Fiji Two as their primary source of information.

We also have a significant number of people that we do know because we had to do a research before we actually used whatever media was available. We know that a significant number of people actually watch FBC TV and the many other channels that they have. FBC Sports, for example, as a lot of us here in this room love rugby that comes through the sports channels - because I am for the Skipper Cup and I know a lot of you here have been following the Skipper Cup which is aired through the FBC Sports channel, but that is diverting away from the health part.

What we did realise was that, we could quickly get information out to everyone because of the many forms of media that FBC had, be it AM radio to the people in the rural and maritime areas or even AM radio to those who choose to listen to AM radio within Viti Levu where the scope of FM radio was available. That is why there is continued support appropriated towards FBC.

HON. LT. COL. P. TIKODUADUA.- Thank you, Mr. Chairman. I thank the Members for their contribution. I think we recognise the importance of the services provided with public service broadcast but that is not the only issue here, which seems to be the main argument of the other side - whether funds should be granted, and so should it be granted. But my point here is that FBC, which is the user of these funds, is not being accountable to Parliament which is giving it the money. It means that they should be accountable. They have been behind by five years of report and this Parliament should know, and like every other essential service like health and every other service going out to the outer islands, it is accountable to the people. That is the point we are making. Therefore we stand by this recommendation that has been made under this motion, Mr. Chairman.

MR. CHAIRMAN.- Honourable Members, we will now vote on this motion.

Question on amendment put.

Motion lost.

HON. L.S. QEREQERETABUA.- Mr. Chairman, this is in relation to SEG 6(4) - South Pacific Stock Exchange - Operating Grant (\$320,000). I just wanted you to note, Mr. Chairman, that the Stock Exchange's 2021 Annual Report on the South Pacific Stock Exchange website highlights that the Deputy Chairperson, Mr. Saiyad Hussain, is presenting the 2021 Report as the Deputy Chairperson.

I just have two questions for the honourable Minister:

1. What has happened to the substantive chairperson of the South Pacific Stock Exchange that prevented him or her for not publically signing off on the last year's Annual Report?
2. The South Pacific Stock Exchange's Annual Report, are they not supposed to be presented to Parliament given that these funds are to be allocated to them?

HON. A. SAYED-KHAIYUM.- Sir, I understand South Pacific Stock Exchange is actually regulated not by us but regulated by the Reserve Bank of Fiji. The Reserve Bank of Fiji is the one that chooses the board members, chairman and deputy chairperson, et cetera. And I can find out why? But I understand that the Chairman's position has expired and they have a limited term of numbers that they can be chair for. I think it is on limited term so I think that term has finished so that is why the deputy chairperson is signing. So, let us get rid of your conspiratorial theory.

The South Pacific Stock Exchange is actually owned by different private entities. This is a setup that we inherited from the previous Government. Sir, BSP and various other organisations are actually shareholders in it. We provide the funding because, obviously, it is in the interest of Government to have capital markets. If the capital market does not exist, then we cannot have listed companies. Fijian Holdings will not be listed as a listed company. Many companies will not be listed in South Pacific Stock Exchange. It is the only viable stock exchange in the Pacific. The other stock exchange is in Papua New Guinea, no other stock exchange exists.

Notwithstanding the fact that I think some people made some negative comments about it. We have had some interest in it. There is currently some work being done to see how we can list Micro Small Enterprises. Countries like Bangladesh, for example, have been able to do that. We have EFL shares that are held by members of the Fijian public account holders and we have said that we will fully list EFL on the South Pacific Stock Exchange and all those who earn less than \$30,000 a year are being given 250 shares. Those who earn more than that, I am talking about domestic account holders, they have got 150 shares.

So, it is in the interest of any country to have a capital market and this funding is there for that, Sir. I can give you a breakdown of that. There is an electronic trading platform. They spend about \$108,000. Investor Awareness Activities - \$100,000; Training and Development - \$64,000; Listing Campaign and Product Diversity - \$25,000; Legal Compliance Expenses - \$10,000; and Technological Progression - \$10,000.

HON. L.S. QEREQERETABUA.- Mr. Chairman, I have another question on SEG 6, if you do not mind. Head 50-1-1-6(5) -World Bank Subscription of \$4,675,000. Could the honourable Minister explain this, please?

HON. A. SAYED-KHAIYUM.- Mr. Chairman, as you know that we are a member of the World Bank. There are two components for World Bank subscription.

1. International Bank of Reconstruction Development Subscription; and
2. International Finance Corporation Subscription.

In 2018, the World Bank endorsed an ambition package of measures that include a US\$13 billion paid up capital increases. We are shareholders. Countries that actually borrow from World Bank are shareholder. So, there was an increase in a paid-up capital, I hope the honourable Member knows what that means. With this capital increase, the combined financing arms of the World Bank are expected to reach an average annual capacity of nearly \$100 billion from 2019 to 2030, benefitting all bank group members across the income spectrum.

The World Bank has allocated shares to its members based on the size of the economy or GDP. Fiji has been allocated paid-in capital shares for International Bank of Reconstruction Development (IBRD) and International Finance Corporation (IFC). The total IBRD and IFC subscriptions is around \$10.8 million which is required to be paid over a period of three to five years.

Allocation for first payment has been provided in 2021-2022 Budget. The estimate of \$4.7 million includes the second year of subscription amounting to US\$1.9 million which is about FJ\$4.2 million to IBRD and IFC and the note encashment of FJ\$467,000.

The slight increase, Sir, is to meet the shortfall in the second-year subscription payment of shares allocated to Fiji with IBRD and IFC and the fourth payment for the note encashment. So, when the Ratu Mara Government joined, they also paid subscription as we all pay subscription and when there is an increase in the paid-up capital, your own members have to contribute.

HON. L.S. QEREQERETABUA.- Mr. Chairman, on Head 50-1-1-7(2). I would like to move that:

This Sub-SEG be decreased by \$4.5 million in respect of contingency provision for unforeseen expenses (operating/capital) including legal and administrative expenses of capital projects.

HON. LT. COL. P. TIKODUADUA.- I second, Mr. Chairman.

HON. L.S. QEREQERETABUA.- Mr. Chairman, I know that Sub-SEG 2 has a \$5,000,000 allocation tucked away under the heading of General Reserve Operating and Capital, but in the details on the next page, it says that this \$5,000,000 is as I said a “contingency provision for unforeseen expenses” and so forth.

At a time when this Government is asking the most vulnerable of our taxpayers to make do with what we heard from the honourable Minister for Economy on Friday, 15<sup>th</sup> July, 2022. It rewards itself with probably another slush fund as what I suspect to play around with, if the Ministers responsible have not done proper due diligence within their own ministries to pre-empt budget blowouts.

In addition, this \$5,000,000 allocation rewards bad accountability and it rewards incompetent risk mitigating planning. It is just plain arrogance, in my view, that our most vulnerable taxpayers have to deny themselves their ability to feed their families with dignity while poor planning and incompetent oversight by Ministers get rewarded by a \$5,000,000 safety net.

HON. A. SAYED-KHAIYUM.- Mr. Chairman, it is very tedious actually to try and respond to conspiracy. Sir, if you look at under SEG 7(2) it says, “Contingency Provision for Unforeseen Expenses (Operating/Capital) which may also include (does not mean limited to) legal and administrative expenses of capital projects. For example, sometimes when we do capital projects, there could be some unforeseen legal administrative issues that may arise. For example, with Blackrock, those who did the planning, et cetera it was discovered that we had to build additional sewage systems, it was not in the overall scope of the works.

Honourable Qereqeretabua, I think it was yesterday or today wanted to increase for NDMO saying that \$0.5 million for relief is not enough. Let us increase it to “x” number of million dollars and we did point out to her that there is about over \$3,000,000 in the Prime Minister’s Relief Fund. If, for example, we require more money than that, this contingency fund can be used for that. It is what you call a “General Reserve for Operating Capital”. She does not understand that, Sir.

They think everything is some kind of conspiracy, they think we are going to use this \$5 million to go and, as her leader says “buy votes”. No, if you look at the historical expenditure of general reserve, it is for specific unanticipated costs. Any good government will do that. Honourable Lalabalavu will testify to that, he has been in previous governments before. For example, we have had situations where we had to hold a state funeral where someone dies and we have to pay for that. We do not put in the budget, “death of the President or death of a former President” and this is the expenditure. Where does the money come from? It comes from this general reserve, it is unanticipated cost. That is what it is all about.

The Auditor-General has not picked any issue with this. She cannot point to there any issue that the Auditor-General has picked up with this particular SEG (SEG 7) and to do with Expenditure 2. Nothing! Just going on and on about something that is completely irrelevant. Any prudent

government will have a contingency fund and that is precisely what it is there for. We have in the past not spent this money when it has not been required.

MR. CHAIRMAN.- You have the floor for your Right of Reply.

HON. L.S. QEREQERETABUA.- Thank you for the answer honourable Minister for Economy. I just wanted to end by saying, you know those snide and condescending remarks just do not earn you any fans.

MR. CHAIRMAN.- Honourable Members, we will now vote on this motion that Head 50 be decreased by \$4.5 million in Programme 1-1-7(2) with respect to Contingency provision for unforeseen expenses.

Question on amendment put.

Motion lost.

HON. LT. COL. P. TIKODUADUA.- Mr. Chairman, I just like to raise a question with the honourable Minister with regards to SEG 7(5). The question is, what kind of Government Service Awareness is this when no other Heads including Communications already have allocations for their awareness by Ministry?

HON. A. SAYED-KHAIYUM.- Sir, this a modest sum of \$50,000 which is generally a central pool for the Ministries and Departments to promote and create awareness on Ministry's policies and services. So this is something be rolled out, for example, the inflation mitigation. We have to go out and make public aware of it as to how they can access to it, what they can do. That, of course, involves public awareness.

We may need to have meetings, we may need to go out to rural areas to tell members of the public how they can apply if they got children, if they are not in school, how they can apply, that is what it is essentially for. For Government policies by various ministries and departments to promote awareness and the respective policies and services.

HON. LT. COL. P. TIKODUADUA.- No, I do not have any other questions. I am withdrawing the motion as well.

MR. CHAIRMAN.- Honourable Members, we will now vote on Head 50 – Miscellaneous Services.

Question put.

Head 50 agreed to.

MR. CHAIRMAN.- Honourable Members, please take note that Heads 51 and 52 are standing appropriations or below the line appropriations. Head 51 lists all the pensions that are payable. These are a charge on the government finances. Head 52 are the charges on account of public debt. These numerous pages lists all the information on interest and loans. Neither Head is voted upon because they must be paid and are, therefore, already catered for.

Honourable Members, that brings us to the end of the Estimates. We shall now proceed to consider the Schedules and Clauses of the 2022-2023 Appropriation Bill 2022 (Bill No. 27 of 2022), as required by Standing Order 101. I advise Honourable Members, that as we have not amended the

Estimates, Standing Order 101 prevents any amendments being moved and made at this stage. Standing Orders 101(3) also prevents any debate on these questions. I hope that is clear to everyone.

#### Schedule 1

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

Question put.

Schedule 1 agreed to.

Schedule 1 stands as part of the Bill.

#### Schedule 2

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

Question put.

Schedule 2 agreed to.

Schedule 2 stands as part of the Bill.

#### Clause 1

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

Question put.

Clause 1 agreed to.

Clause 1 stands as part of the Bill.

#### Clause 2

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

Question put.

Clause 2 agreed to.

Clause 2 stands as part of the Bill.

#### Clause 3

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

Question put.

Clause 3 agreed to.

Clause 3 stands as part of the Bill.

MR. CHAIRMAN.- Honourable Members, that brings us to the end of the Committee of Supply. We have now concluded voting on Heads 1 to 50, as well as the Schedules and Clauses of the 2022-2023 Appropriation Bill 2022, Bill No. 27 of 2022. Therefore, I will now resume the Speaker's Chair.

The House resumed:

MR. SPEAKER.- Honourable Members, the Committee of Supply has agreed to the 2022-2023 Appropriation Bill 2022 without amendment.

On that note, I now call upon the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development to move the third reading of the Appropriation Bill. You have the floor.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I move:

That the 2022-2023 Appropriation Bill 2022 (Bill No. 27 of 2022), be read a third time and be passed.

MR. SPEAKER.- Honourable Members, Parliament will now vote on the third reading of the Appropriation Bill. Please, take note that two Members are voting virtually - the honourable Minister for Employment, Productivity, Industrial Relations and Youths and Sports and honourable Rohit Sharma.

Question put.

Votes cast:

Ayes	-	27
Nays	-	16
Not voted	-	7

Motion agreed to.

[A Bill for an Act to appropriate the sum of Three Billion, Three hundred and Twenty Million Two Thousand One Hundred and Eighty Four Dollars for the ordinary services of Government for the year ending 31st July, 2023 (Bill No. 27 of 2022), enacted by the Parliament of the Republic of Fiji. (Act No. .... of 2021)]

MR. SPEAKER.- Honourable Members Parliament has now passed the 2022-2023 National Budget.

(Acclamation)

MR. SPEAKER.- I almost said I did not hear that as well like previously and I have got very big ears, I can hear, sometimes when you do not raise your voices.

Honourable Members, Parliament has now passed the 2022-2023 National Budget. As I had alluded to earlier, the weeklong Budget process is essential and vital for Parliament to fulfil its constitutional obligation. On that note I take this opportunity to thank all honourable Members for your contributions during this integral process. I also congratulate the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development on the successful passing of the 2022-2023 National Budget. Thank you, honourable Members.

**GOVERNMENT GUARANTEE – FIJI SUGAR CORPORATION (FSC) LOAN**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, for the purpose of Section 145 of the Fijian Constitution and pursuant to Standing Order 131, I move:

That Parliament approves -

- (a) that Government guarantees the Fiji Sugar Corporation Limited domestic borrowings from 1st August, 2022 to 31st May, 2028, which is the guaranteed period, for a guarantee limit of \$75 million; and
- (b) endorse that FSC be exempted from paying the guarantee fee.

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I beg to second the motion.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to Standing Order 31, I speak on this particular motion. The Fiji Sugar Corporation (FSC) is Fiji's sugar milling company incorporated by an Act of Parliament in 1972 to take over the milling activities from South Pacific Sugar Milling and Colonial Sugar Refining Ltd in 1993.

In 2006, Sir, the Fiji Sugar Corporation Act was repealed, allowing it to be governed solely under the Companies Act 2015. The FSC currently operates three sugar Mills, two in Viti Levu – Lautoka and Rarawai in Ba, and the third in Labasa, Vanua Levu. The company is involved in the milling of sugarcane, manufacture and sale of sugar and molasses produced.

Mr. Speaker, Sir, FSC has been experiencing financial issues attributed mainly to various uncontrollable factors ranging from a spate of natural disasters, inconsistent world sugar price, milling inefficiencies resulting from the failed Mill Upgrade Project in 2005, the non-renewal of leases, declining cane production and deteriorating cane quality.

Mr. Speaker, Sir, FSC expects a turnaround for the 2023 financial year which is the 2022 season with anticipated cane production of two million tonnes and sugar-make of around 200,000 tonnes. Hence, \$239 million in total revenue is expected from sugar proceeds and molasses in the projected financial year. It is projected that earnings before interest, tax and depreciation and amortisation for the 2023 financial year will be positive - \$23.03 million.

Mr. Speaker, Sir, FSC focusses on rationalising expenditure with the key focus on streamlining its controllable expenses, but the focus will not undermine any of the expenditure associated with enhancing its operational performance.

Accordingly, in order to support the restructure and financial turnaround of FSC, FSC requires additional funding support through Government guarantee. As required, Sir, under Section 62(1) of the Financial Management Act 2004, Government may guarantee the financial liability of any entity in respect of a loan or otherwise, but only if the giving of guarantee is approved by Parliament.

Mr. Speaker, Sir, the Fijian Government has been guaranteeing FSC's domestic and offshore borrowings in the past number of years. The latest domestic guarantee cover was approved by Parliament on 25<sup>th</sup> May, 2017 whereby Parliament approved to increase the existing Government guarantee of \$120 million to \$322 million to FSC, and extended the period to 31<sup>st</sup> May, 2022.

On the other hand, Sir, Government also guaranteed FSC's offshore borrowings which was approved on 15<sup>th</sup> September, 2017, whereby Parliament approved the extension of the Government guarantee

period for the Exim Bank of India loan of US\$50.4 million from 19<sup>th</sup> September, 2019 to 31<sup>st</sup> December, 2028. Both the Parliamentary approvals exempted FSC from paying the guarantee fee.

Mr. Speaker, Sir, FSC's outstanding borrowing guaranteed by the Fijian Government as at 31<sup>st</sup> May, 2022, stood at \$237.8 million, of which \$166 million is covered by Domestic Government Guarantee and FJ\$71.8 million or US\$32.7 million is covered by Offshore Government Guarantee.

Mr. Speaker, Sir, the current entities that have loans that have been approved are the:

- RBF Flood Rehabilitation Fund;
- Again, the RBF Flood Rehabilitation Fund;
- Sugar Cane Growers Fund;
- FDB Machinery Loan;
- FDB loan of \$7 million;
- FDB loan of \$8 million;
- FDB Loan of \$10 million;
- BRED Bank Loan of \$20 million;
- FNPF Loan of \$50 million;
- HFC Overdraft Facility of \$30 million;
- HFC Overdraft Facility for three months of \$22 million; and, of course, as highlighted earlier on
- Exim Bank of India loan at \$50.4 million.

Mr. Speaker, Sir, FSC, as a result of investments and Government support in the past years, Sir, towards enhancement of factory performance, the Tonnes of Cane to Tonnes of Sugar (TCTS) has improved from 11:41 for the 2020 season to 10:61 for the 2021 season and expected to achieve below 10:01 for the 2022 season.

Apart from this, Sir, the operating capacity has improved significantly and throughput has increased. As of May 2022, FSC's total operating cost is estimated to be approximately \$57 million, of which approximately 43 percent of \$24.7 million is dispensed as salaries and wages. This was a decline of 7 percent when compared to \$61 million as total operating cost in the 2021 financial year. This was achieved with stringent focus on controlling the variable cost and managing fixed cost. Sir, FSC, anticipates to right size the business and create an environment for skill and competent workforce that will take the business forward.

Following FSC's submission to the Fijian Competition and Consumer Commission (FCCC), Sir, for a review of domestic sugar price last year, FCCC has approved a sugar price increase of 90 cents a kilogramme, equivalent to \$900 a tonne, Sir. This will bring direct upsize in FSC's share of revenue of approximately \$7 million annually and will add towards profitability of the company that will support its much needed investments.

The world sugar price has moved into FSC's favour this year, Sir, currently hovering at around US19.5 cents per pound which is FJ42.4 cents per pound, compared to the previous price of US14 cents per pound or FJ30.4 cents per pound last year at the time of pricing, which is an increase of about 39 percent, Sir. This is projected to also improve the financial position of FSC. With the exception of any natural disaster, Sir, it is expected that the Key Performance Parameters (KPP) for the next five years will be achieved.

Mr. Speaker, Sir, the Government loan of \$173.8 million that was approved for conversion into equity is in progress and upon completion of this conversion, FSC's financial position will also improve,

more specifically, the negative net equity will be reduced.

For the continuity and viability of FSC, Sir, the Management, with the assistance of the Board, has developed appropriate action plans to stabilise cane production and overall mill operations, while managing its debts through the support of the Government. It is FSC's intent to make sugar milling a viable business, lessen dependency on the Government and return FSC to a sustainable level in the next three to five years.

Mr. Speaker, Sir, FSC now requires better returns from its revenue sources to invest in future projects that will bring needed efficiency and productivity levels that will ensure viability of Fiji's sugar industry. Accordingly, Sir, FSC requires additional funding support through a guarantee cover of \$75 million for new borrowings. These are intended to be borrowed and have already been approved by the Bank of the South Pacific (BSP) for \$50 million. Another new borrowing of \$25 million is yet to be confirmed, Sir. The guarantee will be utilised to secure new borrowing to retire some of the expensive loans and support FSC's critical capital investments towards enhancement of operational performance.

Regarding the financial implications, Sir, as at 31<sup>st</sup> May, 2022, the total Government Guarantee debt stood at \$1.1 billion or 10.9 percent of Gross Domestic Product (GDP). With FSC accessing the \$75 million guarantee borrowing, Sir, it will increase the total government guarantee exposure to \$1.2 billion or 11.6 percent of GDP.

Mr. Speaker, Sir, the Ministry of Economy works with FSC to monitor the restructure efforts of the Board and Management of FSC to ensure any fiscal risks are properly communicated and, indeed, mitigated by Government.

Mr. Speaker, FSC's key focus is on revenue optimisation, Sir. With the abolition of European Union (EU) preferential price, introduction of UK's autonomous tariff quota and high competition in the world market, it is absolutely critical that our branding is strengthened to entice new markets. A few core areas of focus to optimise revenue are to identify new markets to export bulk and direct-consumption sugar.

Mr. Chairman, FSC continues to embrace further cost-cutting initiatives to bring in best industry practices and efficiencies without compromising on the quality. The key to cost reduction, Sir, is workforce rationalisation optimisation and technology integration to minimise labour-intensive operations. Sir, FSC is also looking at both, its core and non-core businesses, in the restructure process and getting rid of the non-core to further optimise the cost.

The inability to meet the debt commitment calls for immediate intervention and attention. Therefore, Mr. Speaker, Sir, Management with the assistance of the Board is working towards restructuring various debts, specifically negotiating with its lenders with the view to agreeing on reducing interest rates on loans and extending repayment dates when the company's liabilities are due to be paid or, indeed, both. These steps will improve the company's ability of paying back the obligations, yet managing its cash flow situation.

A robust Learning and Development Plan is in place with the view to improving the bank's strength to key trade areas. Through competency-based training, positive traction and high level engagement has been achieved.

A Performance Management Framework has been introduced to ensure employees have demonstrated understanding of FSC's strategic objectives and performance measures. Sound human resource and practices are in place to ensure FSC remains an employer of choice and, indeed, Sir, we

were there at the Lautoka Mill at the beginning of the season and we had a good discussion with the Mill workers and addressed a number of the issues that they had raised.

A Payroll Optimisation Exercise has been instituted, with specific focus on factory operations and non-core operational areas. As part of its transformational plan, Sir, FSC is strategised to focus on its core business which is cane development, sugar milling and marketing and, indeed, working with the private sector, as honourable Naulumatua had stated earlier on.

As such, FSC has decided to dispose some assets which are not adding value to its core operation. The income generated, Sir, will also be used to efficiently run the affairs of the company, making it a lot more lean and more robust and have a focus on its HR development. This is especially important, Sir, to generate funds to pay off legacy loans that was inherited many decades ago.

Mr. Speaker, Sir, I also would like to mention that there are a number of shareholders still on the FSC books. Companies that used to be shareholders were Fijian Holdings, FNPF, a well-known entrepreneur - Y.P. Reddy and other small owners who, over the years, despite FSC, which was unfortunately at one point in time listed under the South Pacific Stock Exchange (SPSE) too prematurely, none of those shareholders, in fact, contributed any equity to the development of FSC's operations or indeed their assets. Management has identified a list of properties that, of course, potentially could be divested in order to ensure the efficient running of FSC.

Mr. Speaker, Sir, Parliament is invited to approve the motion that:

1. Government guarantees Fiji Sugar Corporation Limited (FSC) domestic borrowings from 1st August, 2022 to 31st May, 2028 which is the guaranteed period, for a guarantee limit of \$75 million; and
2. FSC be exempted from paying the guarantee fee.

Mr. Speaker, Sir, I commend the motion before Parliament.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, let me begin by saying that we support this motion and we will say a little bit more about why we support this motion. But before that, Sir, it is important for us to state some fundamental facts about, not just the Fiji Sugar Corporation (FSC), but also about the Sugar Industry in Fiji.

This Parliament is being asked to authorise Government to guarantee \$75 million to the FSC for quite obvious reasons and we all understand that. The question is why, Mr. Speaker, Sir, because the last two Annual Reports - 2019 and 2020 that contains comprehensive audit of the FSC have clearly stated the ability of FSC to continue as a going concern is entirely dependent on Government support. So, a very important point. This means that without pumping in taxpayers' dollars, FSC is technically insolvent.

The 2022-2023 economic and fiscal update states that until May this year, Government guarantees to FSC stood at \$237.8 million. This will take guarantees to over \$312 million. Of course, Mr. Speaker, apart from the \$173.8 million that Government had basically written off from FSC's debt register by converting it into liquidity, we also know that \$322 million previous guarantee that was extended to 31<sup>st</sup> May, 2022 has now expired. The FSC's 2020 Annual Report shows that as of 31<sup>st</sup> May, 2020, the Corporation's debt portfolio stood over \$476.5 million and as of 31<sup>st</sup> May, 2020, the value of its assets were \$159.2 million.

Mr. Speaker, Sir, this means that if one were to sell FSC, it still would not be able to clear its debt since its debt portfolio is \$317 million more than the assets. Therefore, naturally, Mr. Speaker, Sir, as I

have said earlier, FSC, for all its intended purposes, is technically insolvent. It even defaulted on a \$25 million loan repayment to the Fiji National Provident Fund two years ago and Government had to step in as the guarantor to make the payment.

The proof of FSC's insolvency lies in Government's move to compulsorily acquire shares (and I know the honourable Attorney-General has mentioned that) by minority shareholder than individuals at half-a-cent - 0.005 cents per share last year. This meant that the shares hold no value, are worthless and the offer is even below the minimum legal currency tender of 5 cents.

The honourable Minister for Economy, we all know, advised minority shareholders in FSC of Government's decision to compulsorily acquire minority shares at half-a-cent per share by invoking section 263 of Companies Act 2015. Section 263 empowers anyone holding, at least, 90 percent of shares in a company to bid for the remainder of the shares. Unfortunately, Mr. Speaker, Sir, a minority shareholder challenged the decision in the High Court in November 2021 and in February this year, the Court issued an order directing the Permanent Secretary for Economy to withdraw the Notice of Compulsory Acquisition of shares.

I understand what the honourable Attorney-General said about some of the shareholders but if the move had gone ahead, it would have meant severe financial losses to the real minority shareholders. For example, if a borrower or any other individual paid \$2 per share, he or she would not have received any return at all with this arbitrary move by the Government. For example, if someone had paid \$2,000 to purchase 1,000 shares, he or she would have received only \$5 from Government. This would have been an extraordinary style of extortionary behaviour by a majority shareholder, which is also the Government, who would have known better and should have shown more empathy to some of those minority shareholders who may have bought it many, many years ago. But, thanks to the bravery of one of the minority shareholders, a whipping episode of naked theft and coercion (in my view), Mr. Speaker, was prevented.

Mr. Speaker, Sir, we have now come to this - the answer lies in the reduction of Fiji's once economic life-blood to a pocket sized industry in the last 15 years, both under the Bainimarama and the FijiFirst Governments. And we need to state this fact - it is not repeating and going back, it has to be understood.

The sugarcane production declined from 3.2 million tonnes in 2006, before the Military *coup* to 1.4 million tonnes last year. Sugar production declined from 310,000 tonnes in 2006 to 140,000 tonnes last year. A number of active growers declined by 6,000 from 18,000 in 2006 to 12,000 last year.

Despite this, Mr. Speaker, Sir, we hear time and again, that only this Government has provided help to the farmers. They do not say that the largest and most important stakeholders in the industry - the growers - have been voiceless and powerless, with the dissolution of the Sugarcane Growers Council in 2009. I have talked about this before in this Parliament. They do not say, in fact, they never mentioned that because of the Military *coup* in 2006, the growers in this country lost the \$350 million grant that was provided by the European Union over a seven-year period from 2007. It was all lost! So all hopes of achieving that target of 4 million tonnes of cane and 400,000 tonnes of sugar per season from 2010 was trashed.

Mr. Speaker, Sir, FSC adopted two strategic plans, but it also failed. The management structure of the Corporation was changed with one person becoming the Executive Chairman for a few years before becoming the Chief Executive Officer (CEO), and suddenly resigned in October 2016. The Government also appointed an expatriate Chairman before he resigned. But that Executive Chairman and CEO is now somewhere in New Zealand, I am told, and no one knows the outcome of the investigation that was

supposed to take place to determine whether there was any financial irregularity, mismanagement or corruption, because we have not heard this and this is a very important point I want to make.

We are supporting this motion for a number of reasons. Firstly, this is an important industry and we want this industry to expand. Unfortunately, in the last 15 years, it has not expanded. Notwithstanding all the difficulties of cyclones, et cetera, in 15 years, the industry has not expanded. We hear time and again from our friends from the other side that it was just because of the land leases. Yes, land leases was a problem but in the last 15 years, the honourable Prime Minister himself has been the Chairman of the iTLTB and Government looks after the State land so in 15 years, we should have sorted out, at least, some of those issues so that we could expand the industry.

What I see happening here, I have confidence in the current Management - I know some people who are there and the Chairman and I know that they are also working very hard (from the reports that I have seen) to bring FSC to some kind of financial stability.

Mr. Speaker, Sir, it is not just about FSC, the key issue within the industry and the success of FSC will depend on cane production. If we do not produce enough sugarcane, then everything else is dependent on it and if we do not produce, if we do not expand or increase sugarcane production, we are not going to grow the industry.

Never in the history of this country, Mr. Speaker, Sir, even when we had deep political divisions, did any government ignore this partnership that we needed to develop to keep the industry going and it worked for many years. I hope that the Government will rethink some of its strategies (while we are looking at the strategies) to stabilise finances for the FSC. We should correspondingly look at how we can stabilise the farming sector and how we can produce more cane because that is the most important aspect of the industry. That is why I have been saying that we should have learnt a very good lesson from what happened during COVID-19.

The agriculture sector and the sugar industry provided that stability for many people who lost their jobs. They went back to agriculture, went back to their sugarcane farms, went back to their parents and that is why I was very disappointed, disillusioned and sad that this Government, of all the sectors, the largest decrease came from the sugar industry by about 46 percent. And I was hoping that at this point in time, we should have increased the agriculture budget and we should have increased the sugar budget to a level where we can raise the capacity of the industry to produce more cane.

Mr. Speaker, Sir, it is absolutely vital that for the sake of so many people - we still have close to 200,000 people dependent directly or indirectly. If we look at the sugar industry, the economy of the West and the economy of Vanua Levu still remains a very important component of our economy. It has a huge multiplier effect which the tourist dollar may not necessarily have for a lot of people out there in the rural agriculture sector. That is why it is absolutely vital for us to change our tack now in terms of growing the sugar industry and the agriculture sector while we look at tourism as the leading sector in the economy. Just sort of calling a “Bula Boom” is not going to help us bring back that semblance of stability in the economy.

I want to say this to the honourable Minister for Economy. He keeps saying that NFP is always about politics, always criticising, always disagreeing - it is not that, Mr. Speaker, Sir. That is our role in the Opposition, but as we are doing now, we are also sensible about these things and that is why we are supporting this guarantee. But with this support, we may stabilise the finances of the FSC to a small size - you cut all your expenditures, you sell all your assets, you rationalise your finances that way but it is going to come to a very small pocket-sized industry. And the question is whether we want to have that at this point in time when we are trying to diversify our economy and making sure that we look after those hundreds of thousands of people who are directly dependent on the industry.

Mr. Speaker, Sir, with those words we support the guarantee and we urge the Government to create that bipartisanship. Let us go back to the farmers, let us go back to those organisations and let us build that cohesion that existed, despite the politics that they always talk about. It is not the politics, it is the way in which you strategise, plan and create the enabling environment for a vibrant and expanding sugar industry. Thank you, Mr. Speaker.

HON. RATU N.T. LALABALAVU.- Mr. Speaker, Sir, I also rise to make some contribution to the motion before this august Parliament on the guarantee to Fiji Sugar Corporation (FSC) for a guaranteed limit of about \$75 million.

As I had stated in my contribution on the Budget debate, Sir, I did highlight a few facts about the sugar industry and as elaborated by my colleague, the honourable leader of the NFP, that a huge section of our population, in one way or another, still rely heavily on this particular industry, and we simply cannot ignore that.

I think this is a very important paper that is before us, seeking our support. Yes, we support the guarantee, Sir, but at the same time, I wish to highlight a few issues that need to be brought to the attention of the Government as well and that is, most of the things that have been said was quite a challenge for us in the past when we were in Government, to see how best we could revitalise the sugar industry then. That was during the late Prime Minister Qarase's time in government. I was in charge of the then Ministry of Fijian Affairs and I was tasked to see how best we could advise government and the people of Fiji on the future of the industry.

Alternative livelihood was one but, again, you simply cannot just ask people to let go of their investments on the ground and then pushing for leases to expire – the people of Taveuni suffered a lot as well, Sir. Our population grew by a couple of thousands with the displaced farmers who were pushed out of the sugarcane belts of Seaqaqa and elsewhere in the West. But again, what we came up with at that time was how best we could quickly make decisions as to the renewal of sugarcane leases.

I have been hearing in this august Parliament and so many things have been said about some of us not supporting the renewal of sugarcane leases, but I beg to differ with that, Sir. As a former Minister for Fijian Affairs, it was one of my tasks to do a complete check on where we were in terms of expired leases, and the potential that those leases would have on the economy of Fiji as a whole if they were left neglected but, again, 5,000 leases had already been renewed. That was quite surprising to me because even the Great Council of Chiefs (GCC) resolution was totally against the renewal of sugarcane leases, but iTLTB had already approved the renewal of about 5,000 sugarcane leases.

We in the Ministry of Fijian Affairs at that time were in complete disbelief as to one arm is saying this, yet what is happening is totally different because as alluded to by honourable Professor Prasad, a huge chunk of the population was relying on the sugar industry and then not forgetting the downstream effect from this particular industry - the purchasing of trucks, maintenance of trucks, even down to locomotives and rails, et cetera.

The late *Turaga Na Tui Nayau* had even made affirmative action on the extension of the sugarcane belt right down to Seaqaqa, even though the soil was not that fertile to warrant the extension of this crop on to Seaqaqa, but sugarcane is still there. It has thrived well simply because of the hard work, not only of FSC but the farmers as a whole. The landowners were taught a big lesson on the importance of this industry.

Through the Master Award, Sir, I vividly remember that we even had the opportunity to slip in, with the approval of FSC and the iTLTB, direct deduction of rent from the proceeds of cane farmers. This was supported by the farmers and the industry because it was helping the landowners

as well and a big number of landowners. That was one of the reasons why we supported the industry, that they had huge investments especially for the provinces of Macuata, Ba and elsewhere. They had huge investments - buildings, et cetera, where the proceeds from the cane leases helped in the repayment of those huge investments.

In looking at that and as I had highlighted in my contribution to the Budget Debate, Sir, a lot of importance needs to be placed here because a huge part of the population still rely on the sugar industry. I understand that there are issues that need to be sorted out by FSC as well but, again, that has been raised by my colleague, honourable Professor Prasad, regarding the case against its former CEO. However, that is before the courts or probably with FICAC and they are pursuing that. That is an issue that needs to be taken separately because it is under investigation. But again, Sir, we support this guarantee simply because a large number of our population still heavily rely on the industry as a whole but a suggestion to the Government.

I understand the *talanoa* session with the Australian Government, honourable Prime Minister, is going on very well. Perhaps, I do not know if you can take a look at what is happening in Queensland. There are about four small sugar mills out there, privately-owned.

(Honourable Member interjected)

HON. RATU N.T. LALABALAVU.- Yes, I understand. I was about to get into that. Those are some of the things that we can look at as to how best we can guarantee that the interest of the farmers are there, plus the industry. Those four small sugar mills are much smaller than Lautoka Sugar Mill and Rarawai Sugar Mill, yet they are thriving very well. We really need to be informed as to the intricacies of the contract, Sir, that exists between the farmers and the mill owners and how they share the proceeds.

This industry has, kind of, challenged us in the decision-making level of our Government, including the Opposition, as well as to how best we can revive the sugar industry because it is an industry that we look up to in how they integrate with the growers, even with the landowners and the industry as a whole, how they share the proceeds, how the pricing is guaranteed by Government and the price per tonne of sugarcane. So many things are attached with our support, Sir, but again we leave it to the people that handle the industry to ensure that they protect the interest of the Government as well as the nation as a whole.

I fully support the motion that is before us regarding the guarantee to FSC, Sir.

HON. DR. M. REDDY.- Mr. Speaker, Sir, I rise in support of the motion on the floor. I thank the honourable Members from the other side for supporting the motion as well.

Mr. Speaker, Sir, I wanted to make an intervention here to correct the comments made by honourable Professor Prasad and also the intervention by honourable Bulanauca. This financial year, 2021-2022, the direct assistance package for the Ministry of Agriculture is around \$14 million. The Budget that we have just passed, the direct assistance package to farmers is \$26.2 million, so \$14 million to \$26.2 million. Out of the \$26.2 million, \$15 million we are advertising so that every farmer has the opportunity to apply, including sugarcane farmers who are also undertaking non-sugar agriculture.

Mr. Speaker, Sir, prior to three or four years ago, direct assistance was never advertised for the Ministry of Agriculture. Where do the Members from the other side get this thing that agriculture....

(Honourable Member interjected)

HON. DR. M. REDDY.- No, you have had your turn. Just listen!

Mr. Speaker, Sir, they are saying that the Ministry of Agriculture should have got more resources. Of course, they have got more resources, from \$61 million to \$64 million but direct assistance that we have is \$26.2 million.

The other thing, Mr. Speaker, Sir, I wanted to say is that, they are saying that the Ministry of Sugar's budget has been reduced. We have got \$9 million allocated for the Committee on Better Utilisation of Land (CBUL) through the Ministry of Agriculture where Government is subsidising, out of the 10 percent rental rate, 5 percent the Government is paying for those leases that have expired and will be renewed by landowners for utilisation in agriculture, including sugar agriculture.

Mr. Speaker, Sir, the assistance that we are providing to agriculture is not confined to non-sugar agriculture but sugarcane farmers will also participate in non-sugar agriculture activities, for example, livestock farming, vegetable farming, horticultural farming, root crops, et cetera. By only looking at the Ministry of Sugar's budget, it is misleading to say that the industry is not getting as much support as it used to get before.

HON. I. KURIDRANI.- Mr. Speaker, Sir, thank you for allowing me to make a response to the motion on the floor. I will be brief since most of my colleagues on this side have mentioned some of the issues that I need to say.

Mr. Speaker, Sir, before I speak on the motion, allow me to respond to the honourable Minister for Economy on what he stated yesterday in his Right of Reply. The 3.6 percent economic growth projected by International Monetary Fund (IMF) is an average measure which is right.

HON. A. SAYED-KHAIYUM.- Speak on the motion.

HON. I. KURIDRANI.- But my point is, how we can achieve the 12.4 percent growth if the bigger countries are facing economic contraction, so it is simple mathematics. There is a global crisis and smaller countries such as Fiji will suffer greatly, that is a fact. We rely on those bigger countries for economic survival and if they fall, we will have a bigger fall. We have seen that and have experienced that during COVID-19. Yesterday, the IMF Revised Global forecast downward to 3.2 percent.

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

MR. SPEAKER.- There is a Point of Order.

HON. A.A. MAHARAJ.- Mr. Speaker, we are debating a motion with regards to the Government guarantee to FSC.

HON. I. KURIDRANI.- I will come to that.

HON. A.A. MAHARAJ.- We cannot set a precedence whereby Members can stand in this Chamber and start responding to a Right of Reply. That was done yesterday, they were given a chance to contribute and the honourable Minister for Economy has responded in his Right of Reply. They should be talking on the motion that is before this House.

MR. SPEAKER.- The honourable Member is just coming around to his point. You have the

floor.

HON. I. KURIDRANI.- Thank you, Sir. Yesterday, the IMF Revised Global Forecast downwards to 3.2 percent from the previous forecast of April. Things are not improving if the economy is expected to grow to 2.3 percent in 2022 and 1 percent in 2023. Do you believe that the Fiji economy will grow to 12.4 percent? This is a joke. This has just confirmed what I said on Monday that the Budget is a look good one based on lies, dishonesty, misinformation, manipulation and distortion of information just to deceive people. Based on that, Sir, I just want to warn the people of Fiji, be prepared, the worst is yet to come.

Mr. Speaker, Sir, regarding the motion, let us quickly look at the background of the Government guarantee to FSC. On 26<sup>th</sup> May, 2017, the Government of Fiji increased the Government guarantee of \$120 million to \$322 million and guarantee period has been extended up to 31<sup>st</sup> May, 2022 as mentioned by my colleague that it has expired.

On 26th May, the Parliament unanimously agreed for FSC to be exempted from paying a guarantee fee since the Government increased the existing guarantee to \$322 million. In that speech, Mr. Speaker, Sir, the Minister for Economy stated that the increase of guarantee will allow FSC to undertake a number of capital projects, includes mechanisation. Development programmes to increase production at a low cost, meaning a reduction in the cost of production.

On 17th May, 2019 a motion moved by the honourable Tikoduadua to establish a bipartisan committee on sugar to collectively find solutions to revive the sugar industry. This motion was defeated in Parliament and in that debate the honourable Seruiratu (whose is not here in the House) said that the problem in the sugar industry is that past governments neglected it. He further stated and I quote: “If you want the sugar industry to grow, let us get rid of the cobwebs by killing the spiders.”

The honourable Prime Minister added that the motion was a waste of resources and waste of time. He further added that the increase in productivity will come from reducing production cost and increasing cane production. I wonder if both Ministers have taken time to read the FSC Annual Reports that clearly stated that in 2006 the industry had 18,600 active cane growers who produced 3.2 million tonnes of cane. Today, what we have got is only 11,000 active farmers and producing 1.7 million tonnes of cane. What have they doing for the \$400 million that have been injected into the Ministry for the last five years?

HON. A. SAYED-KHAIYUM.- It is not the Ministry, FSC.

HON. I. KURIDRANI.- FSC through the Ministry. What were they doing? May be sleeping and making cobwebs. Then who is the spider that need to be killed, and who has neglected the industry? You be the judge.

On 27<sup>th</sup> October, 2021, the Government intended to convert FSC \$173.8 million into equity. Why? Because the FSC is not able to service its debt, so this Government guarantee that we are going to approve today, which we will support, because we think of the people who will benefit, the 200,00 families out there that rely on this industry. We will approve it, we will support it and we will do it for the sake of those people, not for this Government. This guarantee will follow the same trend.

Sir the reality is that the farmers are only getting around \$35 net profit for every tonne of cane that is being produced. A farmer producing 300 tonnes per annum, his total income is around only \$10,500. Do you think that is enough for a family of five? That is why the Fiji Government has

stepped in to pay \$550,000 for the 600 farmers in the North. This year's Budget booklet stated that FSC's contingent liability is \$237.8 million, which this additional guarantee of \$75 million will raise our total liability to \$312 million, and this will increase the risk, which I have stated in this Parliament on Monday. The higher the debt, the less revenue available for the Government to provide service to its people, because the first call of every government revenue is to service the loan, its principal and its interest.

Mr. Speaker, Sir, I have already informed Parliament during my Budget response on Monday that our GDP per capita income has declined by \$12,000 in 2018 to \$9000 in 2020 due to reduction of revenue and increase of debt. What does that indicate? A low GDP per capita indicates a country is struggling to comply its citizens with basic needs. This is what the grassroots are facing today. People are struggling but, unfortunately, this Minister and the Assistant Ministers will say that we are lying ...

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

HON. I. KURIDRANI.- ... because they are the members of this rich community. Mr. Speaker, Sir, many studies have been done after the events of 2006 to revive the sugar industry, but has the Ministry implemented the report recommendations? The poor trend just indicates that they have not. The sugarcane production has continued to decline, the number of active farmers continued to decline, the (tonnes cane to tonnes sugar) (TCTS) has not improved hovering only around 10.46 while the best should be nine and sugar export including molasses declined substantially from \$224 million in 2006 to around \$87 million in 2021, a reduction of more than 50 percent. These indicators prove that the Government reform has failed miserably.

Mr. Speaker, Sir, I am suggesting to the Government to reconsider the Alternative Livelihood Programme in FSC immediately in order to revive this main industry. I am also asking this Government if they can consider establishing the trans-loading zones, especially for the isolated farmers in the province of Nadroga/Navosa, Ba, Seaqqa in Macuata, Ra and Nasarowaqa in Bua. These are some of the measures they need to undertake to revive the industry. Amalgamate small holding farmers for the benefits of mechanisation and ease of administration, increase number of field officers. At the moment the ratio is around 1:700 farmers. We only have 365 days in one year.

To conclude, we need to ensure that the internal control measures should be in place for the efficient and effective implementation of this Government's programme to avoid over expenditure and corruption, improve capacity for monitoring and evaluation, proper management of expenditure is fundamental in ensuring value for money in delivering service to the sugarcane farming community. Sir, we support this motion.

HON. RO F. TUISAWAU.- Thank you Mr. Speaker, Sir. I rise to contribute to the motion on FSC Guarantee. When looking at FSC, it is very important to also look at the Ministry of Sugar Industry and a quote from the Summary Statement of the Permanent Secretary for the 2018-2019 Financial Year Annual Report, I quote:

“For 2018-2019 financial year, a total of \$62.3 million was allocated to the industry by Government. An additional \$6 million was provided by the government for cane payment top-up for 2017 crops. The Ministry together with the assistance of the industry institutions implemented the following capital projects; Sugarcane Development and Farmers Assistance Program (SDP) Grants - FSC, Fertilizer Subsidy - SPFL, Weedicide Subsidy – SPFL, Sugarcane Small Grants Scheme, Farm Mechanization, Cane Cartage Program – FSC and Cane Access Road (CAR) Programme- FSC”.

So, there was quite a substantial portion of the funding through the Ministry which is through them, administered or carried out by FSC. I share the concerns in this same report. The report itself on the financials it is a qualified opinion and the basis of that, let me read it out and I quote:

- “1. There is an unreconciled variance of \$1.8 million and \$3.8 million between the cane access roads and cane planting grant acquittals respectively and bank statement balance of the cane access roads and cane planting grant maintained by Fiji Sugar Corporation. Consequently, I could not confirm the accuracy of the Capital grants and transfers amounts of \$57.7 million reflected in the financial statements.
2. The Cane Top-up payment of \$3.1 million and \$2.8 million was incorrectly posted to Sugar Development and Farmers Assistance Programme allocation and Cane Access Road allocation respectively. Consequently, the general ledger account of the Cane Top-up payment is understated by \$6 million and the general ledger of the Sugar Development and Farmers Assistance Programme allocation and Cane Access Road is overstated by \$3.1 million and \$2.8 million respectively.
3. The acquittals totalling \$5.6 million submitted by the Fiji Sugar Corporation did not provide proper records for all costs incurred and the utilization of the cane cartage grant in accordance with the requirements of section 6.1 of the Grant Agreement”.

So these are the concerns we would like to also raise here in Parliament in relation to the motion at hand. On the unreconciled variance mentioned the substantial variances of \$1.8 million for Cane Access Roads and \$3.8 for Cane Planting Acquittals and the bank statement balance of the Cane Access Roads and cane planting grant maintained by Fiji Sugar Corporation are not small amounts and are very significant amounts.

The variance taken together represent 9.79 percent of total grants and transfers. The Ministry should therefore from my perspective ensure that accounts are reconciled before the financial statements are drafted. The questions we need to ask is what are the reasons for these unreconciled variances and if the variances were responsible for the redeployment of funds of \$6 million instead of \$4.5 million as per the report on note 4 by the Permanent Secretary.

The other issue as I had already mentioned, the incorrect amounts in the cane top-up payment, the incorrect amounts in the ledgers is a concern and that has resulted in the unnecessary work that could have been avoided if those responsible had taken care of their work. Such questions which arise which we need to ask today, what is the problem with those responsible for the maintenance of accounts and the preparation of financial statements and the reasons for the anomaly?

On the acquittals, the non-submission of acquittals is a weakness which should never have happened when \$5.7 million is involved. Again, we ask what internal controls are in place in terms of agreement procedures?

On the Appropriation Statement, this is on page 25 of that Report, unused provision, a sum of \$5.9 million was allocated under special expenditures in terms of the tribunal, policy development, et cetera. Of these, out of this \$5.9 million, only \$179,315 or three percent was used during the year. Again, the question is - what are the reasons for this high unused provisions under the special expenditures?

Those are some of the issues, Sir, I would like to raise today as per the guarantee in front of us so it points back to the proper utilisation, accountability and also transparency in the use of public

funds which I suppose channel through the Ministry of Sugar Industry for utilisation by sugar industry stakeholders and partners.

HON. DR. I. WAQAINABETE.- Sir, I just want to be very brief in my contribution. We have talked about how important this is, this guarantee to FSC. We have also listened throughout the week about the contributions about the other forms of livelihood which are being encouraged to those who are in the sugarcane industry.

Mr. Speaker, what is important and I think those that have spoken from the other side have also agreed that we must support the motion before the House. We support the motion before the House because it is the livelihood of our people that are in the sugar industry. We cannot take the carpet out of there at the moment. We cannot do that. By saying anything else and then saying you support it is contradictory.

Mr. Speaker, this in a convoluted way, they finally agreed that they support the motion before the House. It is like going from here to Sigatoka by going on the Kings Road. It is very simple, very simple. If you support the motion before the House, you just go from here to Sigatoka and just say you support the motion before the House. What does he mean from a health perspective? This is what is important from a health perspective. We just talked about the economic ramifications that we faced here in Fiji, how we are trying to ensure that no one stays in poverty, that we strengthen and ensure that everyone is empowered.

A significant part of our community are in the sugar industry. What do we expect them to do if we actually do not support the motion before the House - have another scenario where people come, they live in the squatter settlements, is that what we are looking at? Of course not. We want them to be supported so they can be strong, they can be able to fend for themselves, they can have a place to farm, they can live a good life, that is the whole reason of this motion and why supporting that motion. Sir, I support the motion before the House and I ask the honourable Members on the other side, if you support a motion, do not be convoluted.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. Mr. Speaker, I join my fellow colleagues in support of the motion before the House on Government guarantee for FSC Limited domestic borrowing from 1 August 2022 to 31 May, 2028 for a guarantee limit of \$75 million and endorse that FSC be exempted from paying the guarantee fee.

Mr. Speaker, Sir, I must thank the honourable Prime Minister and Minister for Sugar for his profound vision in ensuring that we continue to support our sugar industry. This ensures that our farmers are provided the best to safeguard the sugar industry. Mr. Speaker, Sir, when it comes to growing cane, our Government knows where our support matters most. The Government has guaranteed a price of \$85 per tonne, despite misinformation to the public by ignorant people through deceitful lies just to keep their vote bank and political lies.

Mr. Speaker, Sir, this Government is also easing the burden of cost by subsidising for fertiliser. We are upgrading cane access road. We are covering cane cut cost and investing in modernisation. In addition, we had built better and more productive measures to ensure that we continue to provide the best industry for our farmers.

Mr. Speaker, Sir, this Government under the visionary leadership of our honourable Prime Minister has shown unprecedented level of commitment to the sugar industry ever since coming into the office. Our position continues to play politics with the farmers, however, our honourable Prime Minister intervenes to resolve and assist the farmers with FSC in providing a solution.

Mr. Speaker, Sir, it is unfortunate that the so-called expert of the sugar industry who have no connection with the farmers continue to make unnecessary comments and decisions based on unrealistic assumption. I challenge them to understand the industry before making any comments as our farmers are educated people and they understand the efforts of this Government and the efforts put in by FSC in ensuring that we have a successful harvesting season.

Mr. Speaker, not just us, it is the farmers they also agreed that it is very hard to make money from the sugar industry. We have heard NFP always blaming the past 15 years. It was the doing of the people like Mr. Qarikau and Mr. Niko Nawaikula that brought the industry down to its knees and Qarase Government from 2001 to 2006 and that is the fact, Mr. Speaker.

Mr. Speaker, had Qarase Government continued the industry would have died in a couple of years and this is the fact. It is because of the honourable Prime Minister, the sugar industry is still surviving. It is because of the investment from the FijiFirst Government that the industry is surviving. Now, we need to invest in substantive farming and alternate farming as we know more than 40 percent of the farmers plant less than 100 tonnes. The struggle and efforts put together to farm is outweighing the return. How can farmers survive with the net income of \$4,000 to \$6,000 a year, Mr. Speaker.

Mr. Speaker, Sir, we have visited cane farmers everywhere in Fiji. Our Government deeply appreciate the effort of our cane farmers and FSC for numerous decision with the key stakeholders on improving the industry.

Mr. Speaker, Sir, our farmers are always known to be amongst the hardest working people in Fiji and surely anywhere in the world, they continued to help our industry grow, despite climate change setbacks and natural disasters. Sir, our sugar industry will always remain at the heart of the Fijian economy and that commitment is as strong now as ever before. Thank you, Mr. Speaker, I support the motion.

HON. S. NAND.- I rise to speak in support of the motion in Parliament. Sugar industry continues to be a significant industry in the Northern and the Western Divisions. A lot of families are involved in the sugar industry and we should not play politics with it. The sugar industry prior to 1987 had close to 22,000 farmers. It reduced close to 11,000 farmers now.

Since 1987, the sugar production has steadily declined. Since 1987, the number of farmers in the sugar industry has steadily declined. Since 1987, the production of sugar and molasses have steadily declined. Together with the sugar industry, there was another industry that was left to die a natural death that was the rice industry.

The Sugar industry continues to play a vital role in people's life and the country's economy. It is no rocket signs, why, both the industries were left to die. Then again, we have members who stand and say since 2006, nothing has been done in the sugar industry. Not a word from honourable Members of NFP, not at any time, they have said anything that after 1987, the industry started to decline. Why they are mentioning that? At least, have the courtesy of saying where it all started. Do not pick up in the middle of the game and start running with it.

Mr. Speaker, Sir, that shows the mentality of a leader that he wants to be. It is the Bainimarama Government when it came into power and after that the FijiFirst Government which has invested significantly in the Sugar Industry, invested in the mill, infrastructure, on the farms, started cane planting programmes, fertiliser subsidy, chemical subsidy and all other grants to ensure that the farmers are able to continue with the Sugar Industry. They have not left the farmers behind and they continued to do so.

The best way to do is to build the capacity of FSC and that is why these guarantees are necessary to build FSC's capacity. Can at least those honourable Members who call us for "nothing doing nothing to the Sugar Industry" have that courtesy of acknowledging where the decline was and start supporting.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. S. NAND.- Listen, if you are interested in the Sugar Industry, you will listen. The Sugar Industry continues and will be supported by the FijiFirst Government. I hope everyone in this Parliament supports the industry to help the farmers grow, help the industry grow and to ensure that farmers have a sustainable livelihood. Thank you, Mr. Speaker, Sir, that was my short contribution and I support the motion.

HON. M. BULANAUCA.- Mr. Speaker, Sir, I will have a brief contribution in supporting the motion. But we should ask ourselves why the guarantee? The Fiji Sugar Corporation (FSC) cannot substantiate itself to the lender or the bank. The bank or the lender have no confidence in it. They need a guarantee from someone else (Government) for that, so it is important to make FSC profitable. If it cannot be profitable, let it go, but we cannot do that.

We cannot let it go, why? Because 200,000 families are involved here. We cannot just let it go, that is why we are supporting the guarantee to ensure its continuation. We have to do a lot of things, maybe I am not a cane grower and I do not grow up in a cane field, but at least, I know something about it. We have to diversify as the honourable Minister for Agriculture had mentioned but what I am saying is, it is not enough. Diversify to the extent that they can be more profitable and can help them in the cane industry or to surpass the cane output; whether it is coconut, vanilla, cotton, wheat, cassava, guava, dragon fruits, livestock, crops or vegetables, it is important to increase it to a stage where it can be profitable.

We appreciate what has been done, but we need more. Also we have to look at value adding within the cane industry; whether it is in molasses, white sugar or whatever, experts can do that for us. But it is important to increase our export from cane production and reduce our import of white sugar and what else. It is important to do all that.

As already mentioned as well by the honourable Leader of the Opposition, perhaps you should have a look at the model in Queensland and New South Wales, they have only four small mills there but they are profitable. They are working quite well, maybe that is the way to go but advertise it. Open up new areas, we hear that they are opening up a highway from Nadi to Suva which is good. That has been highlighted in this Parliament by the then honourable Vincent Lobendhan of the *Soqosoqo Vakavulewani Taukei (SVT)*. Then honourable Chaudhry mentioned it as well. I also mentioned it twice in this Parliament, you laughed at it but now you are copying it.

(Laughter)

I am glad that today, they have come up with it. For a high way from Nadi to here, so that you can open up new areas for cane. It is very important to open up new areas for cane. Some of the old areas for cane has been taken up by higher users, whether it is for tourism, residential, industrial, commercial and we cannot stop that because the landowners say, whether it is freehold, or crown land, or native land, the landowner will want a high returns.

All we have to do is, open up new areas, get the cane and the land there is also richer than the older ones. It is important, Mr. Speaker, to look outside the box. As the honourable Minister for Economy said that, why it is profitable in Queensland and New South Wales because it is a freehold and we can do

that here as well. Even with native land, we can issue 99 year leases for agriculture or cane leases but subject to the landowners consent, fair returns and benefits, as we go along. We work together to get the cane going and support the 200,000 or even 300,000 people. It is important, Mr. Speaker, Sir, to look at those areas.

I have also been talking about the non-renewal of leases and they are blaming me for that. Why are they blaming me? The honourable Prime Minister is pointing at me, I was only the Acting General Manager for one year in 1990. We were issuing renewals, so do not point wrongly at people.

(Laughter)

I was renewing leases, someone else came and did not renew leases, so do not point at me. I can give you more leases in my land. If you can plant cane then I can give you. Mr. Speaker, Sir, it is important to increase our production then cut down our cost of production to be profitable.

I am also glad that FSC has involved *itaukei* landowners for the sugarcane cooperative in Nasorowaqa and in Vesidrua. That is the way to go and get more production, get more native land into cane production. It is important, Mr. Speaker, Sir, to pursue those various areas rather than being negative about it. How many years ago, there was no renewal but they are still talking about non-renewal, can we talk about renewals now. Do not take us back, Mr. Speaker, Speaker, Sir. It is important that we also involve the cane growers and the stakeholders like the iTaukei Land Trust Board and Fijian Affairs in all these things. For Fijian Affairs you need to drive the *itaukei* landowners from the unproductive way of life to productive way of life. It is very important because farming itself is living, you must have properly managed time, manage every resources to be productive. Mr. Speaker, Sir, I support the motion.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, thank you for allowing me to speak on this motion. I am standing to support this motion. I just like to bring to the attention of the Parliament the number of issues that are faced by farmers and the mill itself so that we have a good idea. I have been working with the industry since 2018 and I have been on the ground, moving around meeting farmers, looking at the mills and trying to see the issues that are affecting the whole sugar industry.

I think we have to have a holistic look at the whole thing before we make any decision as to how we go forward. We just cannot be one sided on any issue. Some of these issues you have mentioned include non-renewal of leases, yes we all agree. If leases are not renewed on time, as we know that four years prior to the expiry of leases the farmers need to apply, and if the response does not come on time, then the farmers become worried about whether their leases will be renewed or not. They will decline to work on their fields to increase productivity - that is one area. Then we have labour shortage. We have been told in this Parliament that there are ageing farmers on the ground. In some areas, we have the husband and wife harvesting cane. I think one or two years back we had to get labourers from Vanuatu to harvest cane but because of COVID-19 we could not that, so labour was an issue.

Then we have climatic conditions. We all know the number of cyclones that have struck Fiji. If we have a Category-5 cyclone, after that, you have almost two years to get back to where you were and it does not grow overnight. That has been happening with the sugar industry. The Field Officers and FSC have been working very hard and they keep us posted in terms of what they are doing on the ground. We can see the tremendous work done by our Field Officers and the FSC team as a whole. But if a cyclone strikes, then there goes our hard work. That is how production fell last year, but no-one mentioned that. Why did it fall? It is not because someone did not work. The farmers did their part, the FSC did their part but then climatic conditions played its part and the whole thing just collapsed. This year, if good weather prevails then we are going to see big improvements in production.

We also see the transportation costs and these things also affect the farmers' production because now the costs are going up. They are very wary of that, but we thank the Government for coming up with the assistance that is being provided, just like the fertiliser subsidy. It is an incentive to farmers and the transport costs that is being subsidised from different parts of the different areas, is going to help our farmers to mitigate this problem of cost and incentivise them. It is our duty to encourage farmers to diversify and at the same time, to increase production if they are going to get more returns from the farm.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to speak in support of the motion presented before Parliament by the honourable Attorney-General and Minister for Economy. And I say, that no right thinking person will have disagreement on the importance of the sugar industry to the Fijian economy and our society. It supports a large portion of the Fijian population with the livelihood of tens of thousands of Fijians depending on this industry either directly or indirectly.

I thank honourable Members on the other side of Parliament who have spoken in support and endorsed the motion before Parliament. I thought I would just make a couple of comment to honourable Kuridrani - the dumping of loads at designated places results in huge sugar loss. It has been tried in Rakiraki and transferred to Ba, and we have found out that there is a huge sugar loss in that process.

To honourable Professor Prasad, production has been increasing and in 2016 it was around 1.3 million tonnes and then it increased to 1.7 million tonnes in 2020, but it declined for reasons well-known before Parliament and I do not have to explain that. There were 14 cyclones causing damages to more than 56,313 hectares of cane.

Mr. Speaker, Sir, Government is a majority shareholder of the Fiji Sugar Corporation and 80 percent of sugar produced in Fiji is exported, making it a significant source of foreign exchange. It is critical that the industry and the people who depend upon it are supported and my Government has been doing that consistently. As I have said before, we will ensure that sugar growers continue to receive \$85 per tonne price as we have done for the last four years. What this means, Mr. Speaker, Sir, is that our farmers will be protected in the unlikely event that global prices decline.

Productivity at the farm level is my greatest priority for the sugar industry. Government is doing its part by subsidising fertilizer despite the increase in the world fertilizer price which continues from the previous budget. Cane cartage support to farmers continues as well and we have increased funding to the Sugar Research Institute of Fiji with a longer term, a goal of developing better, quality cane planting and adopting new technologies.

On the international stage Mr. Speaker, Sir, Fiji has been an active member of the International Sugar Organisations since 1992 and we currently serve as Chair of the ISO Council. As such, Fiji will host the 60<sup>th</sup> ISO Council Meeting in August this year which will be attended by more than 80 countries, all focused on improving World Sugar Markets through the exchange of knowledge and experience.

Mr. Speaker, Sir, the failed STM Project under the SDL Government resulted in direct loss to the FSC of over \$300 million, and it is now up to us to fix that. For those sitting on the other side of Parliament I suggest that you please read the KPMG Report to get the facts right before you speak here on this subject. The mess was created by those who occupied the seats that govern the industry in 2004. The government at that time obtained a line of credit of over \$50.4 million in July 2005 from Exim Bank, India to upgrade the sugar industry and this loan was guaranteed by Government to pay the Indian contractor for work undertaken, however, after the supposed completion there were several difficulties experienced.

Technical assessments were conducted by the Indian consultants between 2009 and 2013 that confirmed the need for significant remedial works. Mr. Speaker, Sir, an additional line of credit of \$5.38

million was undertaken in 2015 to pay the Indian consultants for remedial works which again did not fix the problem. KPMG Australia was then engaged to conduct an audit of the project and their forensic report concluded that the project failed to deliver its objectives due to the poor quality of equipment and materials supplied by the Indian vendors.

Despite these issues Mr. Speaker, Sir, the sugar industry is recovering, production has improved and FSC's underlying financial performance is turning around. Sir, FSC expects a turnaround for the 2023 Financial Year reflecting the 2022 season, with the anticipated cane production of 2 million tonnes; sugar make around 200,000 tonnes and a TCT of 10. At this point in the season Mr. Speaker, Sir, we expect to achieve those projected results with \$239 million in total revenue expected from sugar proceeds and molasses in the projected financial year.

Mr. Speaker, Sir, FSC is rationalising its expenditures with a key focus on streamlining its controllable expenses, however, it must be noted that this exercise will not affect expenditures associated with improving the operational performance.

Mr. Speaker, FSC has developed a very pragmatic action plan to stabilise FSC's liquidity, boost cane production and improve mill operations while managing its debts. This is all targeted towards transforming FSC into a viable corporate entity and of course reducing its dependence on government so that it becomes a sustainable business in the very near future. For the continuity and viability of FSC, Mr. Speaker, the management with the assistance of the Board, has developed appropriate action plans to stabilise cane production and overall mill operations while managing its debt through the support of government. The motion before the House today is an extension of the constructive developments in the sugar industry.

Mr. Speaker, the decision here is simple and necessary if you want to continue to see the continued growth and recovery of the sugar industry. Global prices are favourable, which is a cause for optimism. With sugar export earnings clearly on the rise, now is the right time to make the right decision. Let us not wait for the next global crisis to befall us and look back with regret. Based on these important factors, Mr. Speaker, I, therefore do support the motion. (20:45:22)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, before I get on to some of the issues specifically about the motion itself, by way of response to some of the issues that were raised by honourable Members from the other side, honourable Kuridrani could not contain himself and harped onto yesterday's right of reply because he, of course, could not move away from his nonsensical narrative.

On one hand, Mr. Speaker, Sir, he used today and said that the IMF and World Bank are predicting that the global growth rate will slow down. But the same IMF and World Bank is predicting that Fiji will have double digit growth, so he chooses it when it suits him but he does not choose it when it does not suit him. Mr. Speaker, Sir, we see this as the very kind of crass analysis of his which is really what we call a characteristic of the other side - they pick and choose.

The same organisation said yes there is a global slowdown, the same organisation says we will have double digit growth and he then uses U.S.A, saying U.S.A will slow down significantly and how can Fiji grow if USA is going to slow down. Sir, we have to look at our major tourism source market. Our major tourism source market is Australia. After that, it is followed by New Zealand.

Australia, at this point in time, Sir, is in fact having what we call nearly full employment. There is more work than actual people. Why do you think they are taking people from Fiji? If more and more Australians are being employed, are getting higher paid jobs, they all want to come for holidays. Where would they go to? They will come to Fiji and we have seen the numbers.

If you go around to Denarau now, Sir, if you got to Sheraton, you go to Hilton, you go to Westin, you go to Radisson - the bulk of the tourists are Australians. So again you see it is a basic lack of understanding of the market, basic lack of understanding of how the tourism sector works, and basic lack of understanding of how the global economy works, Mr. Speaker, Sir.

The other point that he also highlighted, Sir, was the debt per capita - he went on about that again. We had completely explained that. That debt per capita of Australia is higher than Sri Lanka. Is he saying that therefore Australia is a failed economy? The debt per capita of Sudan is less than Australia. Does he say that Sudan has a great economy? See I had cleared all of this, yet he went on about it, Mr. Speaker, Sir.

The last point I also wanted to make, Mr. Speaker, Sir, is that he said that the GDP had declined, therefore debt to GDP had declined. Yes of course GDP declined. We had the borders shut down, economic contractions of 17.4 percent which we actually admitted to and that is what it was. Honourable Prasad said that it does not really matter how it happened but it happened in any case. I had also addressed that but he did not take that into account, but then he also said that we should support alternative livelihoods and therefore that is how we revive the industry.

Alternative livelihoods means alternative to sugar, that is what it was all about. The EU assistance was not about increasing sugarcane production, it was about alternative livelihoods for the non-performing sugarcane farmers - the people who were actually cutting less sugarcane, and help the ones who can actually do a lot more harvesting. It was alternative also for those who can increase. So, again, he does not understand what he has been talking about, Sir.

Mr. Speaker, Sir, I would also like to talk about the decline in the number of active cane farmers. Sir, from 1996 to 2006, active cane farmers declined by 5,090 farmers. The number of active cane farmers declined by 3,336 between 2006 and 2021. In other words, this is less than 1,754 farmers. Far farmers actually moved away from the sugarcane industry prior to 2007. From 2006 to 2021, 3,336 actually moved away. So, in other words, the cane farmer decline was at a much higher rate before 2007. I want to get that right.

Mr. Speaker, Sir, of course, if we had not introduced the Committee for Better Utilization of Land (CBUL), we would have seen a higher rate of reduction of cane farmers because the confidence of the sugarcane industry declined significantly in particular after 1987. All of you to do is read Mr. Rabuka's memoirs and in one of them he actually mentions, "... because the sugarcane farmers after 1987 decided to go on what we call a cane strike and they were forced to get into production." We know what happened to the cane farmers. They were forced to go into cane production. Rabuka has actually said, "This is their power-base, we must decline their power-base." It is on record.

Mr. Speaker, Sir, the average age of a cane farmer today is 59 years and we all know that. The average size of cane farm is like five to 10 acres, Mr. Speaker, Sir.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

MR. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, honourable Lalabalavu and honourable Bulanauca said, "Let us go to Queensland." The size of cane farms in Queensland is 123,000 acres and it is all flat land.

Sir, those farms are, in fact, run by only two people or so, everything is mechanised. The feeding is mechanised. It drip feeds, it comes on automatically at 6.00 p.m. or 6.00 a.m, the water

and fertilizer is given, everything is drip-fed - all high-end technology. All those farmers, yes, they have freehold land but you do not have to have freehold land, they can have 99 year leases. But the fact is, Mr. Speaker, Sir, it is all flat land and the fact is, it is highly mechanised. Only two people run the cane farm of few thousand acres, so they need to know the point of difference.

The reason I keep on emphasising flat land is because if you see, a lot of the cane farms (not most) in Fiji are actually not on flat land, but on the side of hills. That is why you cannot have the harvesters going on the side of the hills. That is why, as honourable Vegnathan highlighted, we are using prisoners to cut cane because no one wants to cut cane anymore. People used to come from Naitasiri, Bua, Yasawa, Tailevu, et cetera, to go and cut cane in the West and in Macuata. They do not want to cut cane anymore, they have other preferences in terms of their profession. So, we need the prisoners and we pay them money.

We have to set up what we call, Temporary Correction Centres in Tavua and Rakiraki. So, rather than carting all these prisoners from Ba everyday, we set up temporary prison facilities during the sugarcane season. We pay for that so that farmers can actually get access to labour. That is how rudimentary our sugarcane industry is, compared to the highly mechanised industry in Queensland.

The other point I also want to make, Sir, is that all the sugarcane farmers in Queensland have access to commercial bank lending because they have freehold land. They have long leases. No cane farmer in Fiji until recently under this Government, has received a 99 year lease.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Honourable Professor Prasad would know that all Agricultural Landlord and Tenant's Ordinance (ALTO) and Agricultural and Landlord Tenants Act (ALTA) was all for 30 years. So, every 30 years, we have this big negotiation in this Parliament, and that is what they call the bipartisan thing. That was the negotiation. "ALTO, ALTA, alright, get another 30 years", that was what it was.

(Hon. Opposition Member interjects)

Mr. Speaker, Sir, he is saying, "What is wrong with that", what a stupid comment! What an obtuse comment. Because when you have only short-term leases, commercial banks do not lend.

HON. J.V. BAINIMARAMA.- Very simple.

HON. A. SAYED-KHAIYUM.- Very simple Maths. You do not understand Commerce.

Mr. Speaker, Sir, the other point that I also wanted to make was that 43 percent, as we highlighted previously of the cane farmers in Fiji cut less than a 100 tonnes. If, for example, I cut a 100 tonnes I get \$8,500 under the guaranteed price. If I cut only 50 tonnes, I get half of that, in other words I get \$4,250. You take out my expenses, I probably get \$2,500 to \$3,000 a year. That is what a person lives on, he is expected to live on. That is with the guaranteed price.

Assuming Sir, and in fact prior to this Government, no government ever give guaranteed price. If they were left to the whims of the world market price, they would have made about \$6,000 then take off the expenses, \$1,500 to \$2,000 a year and as we have said previously, is that as announced in the last Budget, we said that we will help these farmers, those who no longer want to continue to do sugarcane farming or they want to get into other types of farming or want to convert their leases to residential leases, we will help them.

We did the first round, we had 16 applications. Majority of them said that they no longer want to do sugarcane farming. Majority of them said, “Please, simply cut us less land (1 or 2 acres or maybe 1 acre) we just want a residential lease for 99 years”. That is all they want.

The fact of the matter is that the attrition rate of sugarcane farmers was in much higher proportion in Vanua Levu. That is why a lot of the cane production halved. Yes, there are some good schemes at the moment in FSC at Vanua Levu where they partnered with the landowners. I think they are cutting about 1,000 tonnes, which is great. We encourage that, FSC is actually working towards that, but to be able to say that will solve the problem, it will not. If you want to look at the long-term basis, we need to ensure that we address these issues. These are real issues. We need to have longevity of leases, we need to be able to ensure that we understand when we try and provide solutions that we have small farms.

Mr. Speaker, Sir, the other point that I also wanted to make very quickly, honourable Ro Filipe Tuisawau had mentioned about some Auditor-General’s Report for Ministry of Sugar. If he actually delved deep into it and this is what we objected about the Auditor-General at that point in time Sir, is that they made some observations and normally when the Auditor-General supposedly picks up some anomalies, they go back to the management to say, “hey guys, this is what we picked up, what is your response to that?” They did not go back to management, they simply just came to Parliament, published it and put it on the table. You do not carry out professional audits that way.

Mr. Speaker, Sir, the other point that I also wanted to highlight very quickly was that, honourable Professor Prasad mentioned about the various CEOs. Of course, the matter is referred to FICAC, they are carrying out their job.

Mr. Speaker, Sir, he also talked about the farmers becoming voiceless. Sir, the sugarcane farmers actually have representations on the Sugar Cane Growers Council. They are, of course, selected. Previously as we said, they used to have a “full blown” elections. There used to be the NFP camp, Labour camp and any other camp; that is what they want. Exorbitant cost, farmer’s hard earned savings is going in there, 36 people went on one overseas delegation because none of the parties wanted to be left out, Sir. All of these things happened, but what they actually failed to mention is that before to actually fund the Sugar Cane Growers Council, the funding used to be deducted from the cane farmers proceeds. It no longer is. The Government provides the funding for the Cane Growers Council. It does not come out from cane farmer’s proceeds, they do not mention that, Sir, not at all.

Mr. Speaker, Sir, the other point that I also wanted to make was that the honourable Professor Prasad mentioned about the shareholders. I have got the name of the farmer or the shareholder who supposedly moved this matter, in regard the legal matter. There was a procedural issue that was raised, we will still go ahead with it. In fact, Sir, the Fijian Holdings and the FNPF had agreed to sell their shares and I have got the figures here.

The Government made an offer to FNPF and Fijian Holdings collectively referred to as the parties by a letter dated 22<sup>nd</sup> March, 2020, to acquire the respective parties’ full shareholding in FSC with an offer price of 0.05 per share. Both parties accepted Government’s offer by a letter of acceptance, dated 24<sup>th</sup> March, 2020 and 26<sup>th</sup> March, 2020 respectively. They offer price of 0.005 per share was benchmarked from FSC’s Valuation Report by Siemens Corporate Finance dated June 2019. We did not pull it out of some part of our anatomy, it was done independently.

Accordingly, Sir, the Government was going to acquire 8.86 percent of Fijian Holding shareholding and 78.5 percent of FNPF shareholding in FSC by a Sale and Purchase Agreement on 21<sup>st</sup> July, 2020 at a share price of 0.005 per share. The sale proceeds of \$19,669.50 for 3,393,900

shares and \$39,054 for 7.8 million shares was paid to FHCL and FPNP respectively in exchange for the respective companies' Share Certificates.

Mr. Speaker, Sir, then one of the minority shareholders had one law firm and we probably know who they are, to take this matter to Court which is why honourable Professor Prasad is speaking so passionately about that. A lady by the name of Seravina Lutu who took to Court and now, of course, the Court has directed. Certain procedural matters need to be adhered to which the Permanent Secretary for Economy is doing so and those shares will actually be transferred to the Government. Therefore, Government can then offer to all the other shareholders through the Companies Act, Sir. That is the procedure. Then, of course, we can do the debt-to-equity contribution. Someone mentioned it has already been done, but it has not been done. We can only do so once we actually have the shareholding intact, Sir.

Mr. Speaker, Sir, again, I would like to re-echo the sentiments of the other speakers, including the honourable Prime Minister, that in the analysis of FSC and, indeed, the overall observations by honourable Members in particular from the other side saying that the sugarcane production has reduced significantly, have really not take into account the fact that we had 14 cyclones since 2016.

Mr. Speaker, Sir, it has a huge impact and as we know, sugarcane is very vulnerable to high winds and in particular, flooding. It is not like coconut trees. These things become flattened when you have high winds. So it had a huge impact on it, that is why talk about climate change. So in any analysis of it, we need to be able to understand that these were the ground realities. We would like to thank the Opposition, whilst they came to support the motion and had a fairly convoluted and distorted take on the facts, they still support the motion.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we would like to thank everyone who is actually going to support this motion. We hope, God willing, we will actually solve some of the fundament of what we call 'the balance sheet' problems with FSC's books. We will be able to get more private sector participation. Honourable Naulumatua, I think, made one of the most definitive contributions to all of this debate where she talked about how the private sector - in fact, if the Members looked at it carefully, funding for SRIF has increased significantly. Also because they are working with organisations like hers, private sector where we are looking at increasing the yield. None of the honourable Members from the other side actually talked about the fact that yield from ratoons have been dropping significantly. Why? Because the same ratoons have been used for nearly two decades. Many cane-growing countries, Mr. Speaker, Sir, do not have the same ratoons growing for two decades.

Mr. Speaker, Sir, the other point they all need to understand is that, at the moment, the sugarcane industry in Fiji is protected. There is a 32 percent duty on imported sugar. If tomorrow we were to bring it down to 5 percent, you will be able to get cheaper sugar from overseas than the Fijian sugar. The industry is protected, so that everyone who goes to the shop will buy Fijian sugar. You can get cheaper sugar from overseas. Why is it cheaper from overseas? Because it has got higher yields, it has got lot more production. So they are able to sell it for a cheaper price. All of these dynamics do exist, Sir. When the honourable Members say, "Awh, members of the public are paying a high price, et cetera," they need to know that it is a protected industry'.

Mr. Speaker, Sir, with those remarks, I would like to thank all honourable Members for supporting the motion and I support the motion, Sir.

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

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, on that note, we will now adjourn for the day and we will take the Consequential Bills tomorrow.

I thank all honourable Members for your co-operation and your contributions to today's debate. We adjourn until tomorrow at 9.30 a.m.

The Parliament adjourned at 5.12 p.m.