

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

FRIDAY, 12TH JULY, 2024

[CORRECTED COPY]

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FRIDAY, 12TH JULY, 2024

The Parliament met at 9.59 a.m. pursuant to adjournment.

MR. SPEAKER took the Chair and read the Prayer.

PRESENT

All Members were present, except the honourable A.A. Maharaj.

MINUTES

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

That the Minutes of the sitting of Parliament held on Thursday, 11th July, 2024, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE SPEAKER

Welcome

Honourable Members, I welcome you all to the final sitting day for the week. I also welcome those joining us in the gallery and those watching the live proceedings on television and the internet. Thank you for your continued interest in the workings of Parliament.

Membership of Parliamentary Standing Committee

For the information of honourable Members, I had received official communication on 13th June, 2024, from the honourable Leader of the Opposition with respect to changes to the membership of Parliamentary Standing Committees and in that respect, pursuant to Standing Order 115, please take note that:

- (1) Honourable Ratu Josaia Niudamu will replace honourable Faiyaz Koya in the Standing Committee on Justice, Law and Human Rights. Honourable Alipate Tuicolo will be the Alternate Member.
- (2) Honourable Joseph Nand will replace honourable Sanjay Kirpal in the Standing Committee on Natural Resources. Honourable Taito Matasawalevu will be the Alternate Member.

Furthermore, following the reinstatement of honourable Aseri Radrodro as Minister for Education, honourable Sashi Kiran will resume as member of the Standing Committee on Social Affairs.

2024-2025 BUDGET CONSEQUENTIAL BILLS 2024

HON. PROF. B.C. PRASAD.- Mr Speaker , Sir, pursuant to the resolution of Parliament on

HON. PROF. B.C. PRASAD.- Mr Speaker , Sir, pursuant to the resolution of Parliament on Friday, 28th June, 2024, I move that the following Consequential Bills be debated, voted upon and be passed:

- (1) Tax Administration (Budget Amendment) Bill 2024 (Bill No. 8 of 2024);
- (2) Income Tax (Budget Amendment) Bill 2024 (Bill No. 9 of 2024);
- (3) Value Add Tax (Budget Amendment) Bill 2024 (Bill No. 10 of 2024);
- (4) Customs (Budget Amendment) Bill 2024 (Bill No. 11 of 2024);
- (5) Customs Tarriff (Budget Amendment) Bill 2024 (Bill No. 12 of 2024);
- (6) Excise (Budget Amendment) Bill 2024 (Bill No. 13 of 2024);
- (7) Airport Departure Tax (Budget Amendment) Bill 2024 (Bill No.14 of 2024);
- (8) Fiji National Provident Fund (Budget Amendment) Bill 2024 (Bill No.15 of 2024);
- (9) Tertiary Scholarships and Loans Service (Budget Amendment) Bill 2024 (Bill No. 16 of 2024).

HON. RO F.Q. TUISAWAU.- Mr. Speaker, Sir, I beg to second the motion.

MR. SPEAKER.- Before we proceed with the motion, I remind honourable Members that pursuant to the resolution of Parliament, the time for debate will be limited, to ensure that the nine Consequential Bills are debated and voted upon today.

HON. PROF. B.C. PRASAD.- Mr Speaker. Mr Speaker, Sir, the nine Consequential Bills give legal effect to the policies announced in the 2024-2025 Budget. Before I go into brief detail of each of the Bills, I just wanted to make some quick general remarks.

In terms of taxation, Sir, and customs related Bills, we have broadly kept the tax regime stable with minimal policy changes, apart from departure taxes. However, there are a number of administrative changes to strengthen tax compliance, bring clarity to the law and streamline tax administration processes.

As I have highlighted, with tax reforms in the last Budget and the growth in the economy, we are on track to collect around \$3 billion in tax revenue this year. This is an indication and demonstration that our tough and decisive actions in the last Budget have worked well and yielded intended results in terms of the revenue. On the same note, we recognise that we must not overtax the economy and we want to have a tax system that is simple, efficient and fair.

Mr. Speaker, Sir, let me highlight some of the major changes being brought into effect through these Consequential Bills relating to taxation and customs. In the last Budget, Sir, we introduced a 3 percent import duty on raw materials. Following our discussions with manufacturers and exporters, we are removing that 3 percent duty.

With the tourism industry back to normal and more than normal in terms of the record visitor arrivals and as the honourable Deputy Prime Minister and Minister for Tourism and Civil Aviation very well highlighted in his speech with respect to the volume of receipts and the injection from the tourism industry into the economy, the departure tax will increase from \$140 to \$170 effective from 1st August, 2024, and will return to the pre-pandemic rate of \$200 from 1st August, 2025. In addition, effective from 1st August, 2024, the transit hours for departure tax exemption will reduce from 96 hours to 48 hours - equivalent to two days.

Mr. Speaker, Sir, the construction industry has noted a shift from conventional building methods towards more modern building techniques and the use of prefabricated buildings to assist in the construction sector, in light of the high building and material costs. The fiscal duty on

prefabricated buildings consisting of prefabricated buildings of wood, modular building, units of steels and other prefabricated buildings will be reduced from 32 percent to 5 percent, while fiscal duty on steel structures or articles of iron will be maintained at 5 percent. We are increasing the excise duty on alcohol and tobacco product by 5 percent, while duty on carbonated or sugar sweetened beverages will be maintained at 40 cents per litre per kilogramme.

Mr. Speaker, Sir, prior to June 2020, the threshold for personal imports under Code 212 was \$400, so as a COVID measure, the threshold was increased to \$2,000, to encourage imports of personal use and assistance from families overseas. The threshold for personal imports under Code 212 will be reduced to \$1,000 and 15 percent VAT will be applied. We are closing this loophole, as some businesses had started abusing this and in a big way as well.

For our hotel incentives, we are extending the Short Life Investment Package (SLIP) tax holiday to investors who acquire existing hotels and undertake renovations and refurbishments for more than \$50 million. This will support major investments like Crown Plaza, Wananavu Resort, and in addition, the standard allowance for renovation and extension of hotels will be reduced from 50 percent to 25 percent, similar to COVID levels.

A 200 percent deduction will be allowable for donations over \$10,000 towards the 2030 Pacific Games. Similar to the tax incentive provided to Fijian Drua 13-year tax holiday, tax duty concessions on imported sports equipment and 200 percent tax deduction will be extended to the National Rugby League.

The tax free zone incentive will be amended to allow existing *iTaukei* companies to qualify for the Tax Free Region (TFR) incentive in the tax free regions for new investment above \$250,000.

Mr. Speaker, Sir, we are also making changes to the Fiji National Provident Fund Act 2011 to bring about the following changes:

- (1) We are restoring the tripartite spirit in the Board composition of the Fiji National Provident Fund (FNPF) to include a worker representative and an employer representative.
- (2) We are making legal provisions to cater for minors to become FNPF members, which means, there would be no age limit for children to become members of the FNPF.
- (3) To strengthen compliance, the penalty for non-payment of contributions by an employer will be changed from \$100 per employee per month to 10 percent of the balance of unpaid contributions for an employee each month.

The Bill also, Mr. Speaker, Sir, accommodates FNPF member reaching entitlement age to be able to transfer sum of all the amounts withdrawn to an existing FNPF member. At the moment, it is either you opt for pensions or withdrawal. This provision allows members to give their FNPF balance to their loved ones.

Mr. Speaker, Sir, the Tertiary Scholarships and Loans Service Budget (Amendment) Bill 2024 mandates tertiary education institutions to inform Tertiary Education and Loans Service (TSLs) of at-risk students who are not meeting expected academic requirements. This will ensure that we are able to have an early detection and thus, an early intervention to improve completion rates. With the write-off of the Tertiary Education Loans Scheme (TELS) debt and conversion to bond, TSLs will now be responsible for the management of these student bonds.

Mr. Speaker, Sir, let me quickly go through also some of the Clauses in each of the Bills. I am sure that honourable Members have already gone through it, but I just wanted to, for the record, go through that as well very quickly.

On the Tax Administration (Budget Amendment) Bill 2024, the Bill seeks to improve tax administration processes aimed at improving compliance with tax rules and regulations, as well as the efficiency with the day-to-day services of the Fiji Revenue and Customs Service (FRCS).

Clause 1 of the Bill provides for the short title, as you can see.

Clause 2 of the Bill amends section 30 of the Act to increase the period of seizure and detainment of non-perishable goods from 10 to 30 consecutive days, to assist with the handling of non-perishable goods in detainment. This, Mr. Speaker, Sir, will significantly assist FRCS in the processes involved for handling detailed goods and provides the owner of the goods more opportunity to collect the good before the disposal process commence.

Clause 3 of the Bill amends section 33 of the Act, to allow any forfeited refund to be used to offset a taxpayer's debt and penalty.

Clause 4 of the Bill amends the Act by inserting section 36A which empowers the CEO to collect bulk information for the purposes of the Act, in accordance with procedures prescribed under regulations.

Clause 5 of the Bill amends the Act by inserting section 46C, which imposes a penalty equal to 200 percent of the deficient tax.

On the Income Tax (Budget Amendment) Bill 2024, again, Mr. Speaker, Sir, Clause 1 of the Bill, as usual, provides for the short title.

Clause 2 of the Bill amends section 25 of the Act by setting the rate of export income deduction for tax year 2025. This is a continued rate of export income deduction, which is the current rate for the tax year 2024 - 90 percent for agriculture, fisheries and forestry industry; and 60 percent for other industries.

Clause 3 of the Bill amends the Act by deleting section 28A in relation to the deduction for a pandemic reserve.

Clause 4 of the Bill amends section 78 of the Act to revise valuation amounts to Fringe Benefit Tax on motor vehicles. This Clause also includes valuation amounts based on the cost of an electric vehicle.

Clause 5 of the Bill amends section 110 of the Act to revert the rules for the payment of advance taxes that existed prior to COVID-19 pandemic measures that we have put in place, especially at that time. The advance tax will be paid in three instalments. So, we are getting rid of some of the COVID-19 measures and putting things back to what it was before COVID-19.

Clause 6 of the Bill amends the Act by deleting section 125A in relation to deduction for business losses of up to \$20,000. This maintains withholding tax as final tax.

On Value Added Tax (Budget Amendment) Bill 2024, again, Mr. Speaker, Sir, Clause 2 of the Bill amends section 14 of the Act which governs the application of Value Added Tax (VAT) on imports. Currently, certain items are exempt from VAT under section 14(4A)(a).

Clause 2 of the Bill amends section 14(4A)(a) of the Act by including Concession Code 201C (a Member of Parliament) as imported items exempt from VAT. Deleting Concession Code 212 (a private individual), which currently allows for VAT exemption on personal imports. The proposed

amendment requires individuals to pay VAT on personal imports, aligning with the standard VAT regime. This amendment seeks to create a fair market environment, as all commodities, whether domestically purchased or imported, will be subject to the same VAT rate. This also ensures that tax revenues are not lost due to imports.

Clause 3 of the Bill amends section 32 of the Act, which sets out the taxable period application under the Act. This Clause amends section 32 of the Act by deleting references to Categories C and D, which currently, Mr. Speaker, Sir, provide for taxable periods of 12 months. Instead, taxable period will align with those in Category A - one month, or Category B - three months.

Clause 4 of the Bill provides for the transitional provisions to facilitate the transition of new taxable periods. This Clause allows registered persons who are previously in Category C or Category D to file their tax returns by 31st January, 2025, for the taxable period 2024.

Clause 4 of the Bill also seeks to allow registered persons previously in Category C or Category D to be re-assigned to either Category A which is 1 month, or category B which is three months. Overall, the Bill seeks to streamline and simplify the application of VAT on imports and taxable periods, while also ensuring a smooth transition for persons registered under the Act.

On the Customs (Budget Amendment) Bill 2024, Mr. Speaker, Sir, again, section 2(1) of the Act is amended to redefine definitions - there was a lot of confusion with respect to “produce”, “producer” and “manufacturer”, to allow local producers to receive the same concessionary benefits as others, creating fairness and levelling the playing field for the local producers, and providing them with the same opportunities and advantages as others, fostering a more equitable economic environment.

Section 2 of the Act is also amended to insert new definitions of “mixing” and “blending”, and “sign” or “signatures” for clarity.

Clause 3 of the Bill amends section 32 of the Act by deleting subsection 2 to remove the time to pay arrangement for the payment of duty on yacht imports of up to \$2 million, to ensure uniformity and prompt revenue collection upon importation.

Clause 4 of the Bill amends section 66(2) of the Act is amended to increase the penalty for the owner of goods who fails to comply with an undertaking of furnishing the necessary entry within five consecutive days of the departure of goods to the Comptroller.

Section 92(9A) of the Act is amended to allow the Comptroller to impose a 5 percent penalty for approved petroleum companies that fail to pay import duty before the due date to deter non-payment from the approved petroleum companies.

Section 173A(8) of the Act is amended to align the objection period in the Act to the Tax Administration Act 2009 in relation to a decision made by the Comptroller.

Customs Tariff (Budget Amendment) Bill 2024: Part 1 of Schedule 2 to the Act, Mr. Speaker, Sir, is amended as follows. As I have said earlier, to:

- (1) remove the 3 percent export duty on sugar. This was never applied. It was always on the books.
- (2) increase the excise duty on alcohol and tobacco by 5 percent.
- (3) increase the import fiscal duty on ships, boats and floating structures from free to 5 percent.

- (4) reduce the import fiscal duty on prefabricated building from 32 percent to 5 percent.

Part 2 of Schedule 2 to the Act is amended to exempt hospital beds from fiscal duty and VAT. The wider public can acquire beds at a lower cost and patients receiving care at home will benefit.

Part 3 of Schedule 2 to the Act is amended to provide the following:

- (1) A new concession code to exempt duty and VAT on importation of one motor vehicle for a Member of Parliament within their term of Parliament.
- (2) A new concession code for the manufacturers and producers, processing alcoholic beverages through the mixing and blending process. This will fix interpretation issues at operational level and manufacturers who are involved in mixing and blending processes do not qualify to benefit from concessions for manufacturers who produce the final product through the fermentation and distillation process.
- (3) Removal of VAT concession on personal items, as I have said earlier, from \$2,000 to \$1,000. It used to be \$400 before COVID-19, I was taken to \$2,000 so we are not going back to \$400 but we just going back to \$1,000.
- (4) Reduction in fiscal duties associated with different products relating to various manufacturing and production purposes. I am sure honourable Members have read all that.

On the Excise (Budget Amendment) Bill 2024, section 2 of the Act is amended to provide for a longer duty accounting period for manufacturers of certain excisable products who were issued a licence on or after 1st January to assist new businesses.

Section 28 of the Act is amended to impose a fee of \$15 for each submission that is processed by FRCS and a fine of \$115 for the late payment of excise duty to discourage late payments.

Section 81 of the Act is amended to mandate manufacturers and warehouse keepers to keep electronic copies of books, documents and phones.

Schedule 2 to the Act is amended to reflect the increase in the rate of excise duty on alcohol and tobacco by 5 percent.

On the Airport Departure Tax (Budget Amendment) Bill 2024, Mr. Speaker, Sir, section 3 of the Act is amended to reflect the changes from \$140 to \$170, and then \$170 to \$200, and the effective dates. These changes are reflective of the recovering tourism sector in the last 12 to 18 months, as I have said before. We are also reducing the transit hours.

On the Fiji National Provident Fund (Budget Amendment) Bill 2024, again, as I have said, we are amending section 7 of the Act by including a worker representative and an employer representative, as members of the FNPF Board.

Clause 3 of the Bill amends section 36 of the Act to update provisions on admitting minors, as I have said before, on FNPF members.

Clause 4 of the Bill amends section 37 of the Act to provide an employer up to 14 days at the beginning of each month, to submit a remittance back to the Board, and all the other amendments that I had highlighted earlier, Mr. Speaker, Sir.

On the Tertiary Scholarships and Loans Service (Budget Amendment) Bill 2024, again, section 2 of the Act is amended, as I have said earlier, to insert the new definition of “at-risk student”, to identify a student who is under a bond agreement.

Section 5 of the Act is amended to mandate tertiary education institutions to inform TELS of at-risk students, so that TELS can undertake actions to support their students better.

Generally, the amendments are made to mandate former TELS students to clear their bond, to mandate tertiary education institutions to inform TELS of their at-risk students, penalise students who are legally bound to TELS and have no intention of serving their bond, and reflect the initial arrangement on former TELS students on their bond.

Mr. Speaker, Sir, I commend the Bills to Parliament.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. I have in front of me a list of speakers that has been put forward by honourable Whips, as follows:

- (1) Hon. S.T. Koroilavesau;
- (2) Honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications;
- (3) Hon. S.S. Kirpal;
- (4) Honourable Minister for Lands and Mineral Resources;
- (5) Hon. P.D. Kumar; and
- (6) Honourable Minister for Education.

Honourable Koroilavesau, you have the floor, Sir.

HON. S.T. KOROILAVESAU.- Mr. Speaker, Sir, I congratulate the Government and the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics for the passing of the Budget yesterday afternoon.

The discussions that will be held today are basically consequential of the Budget that was already passed yesterday. So, we are basically going to raise some issues that we think should be highlighted in this Parliament, but it will not make any impact on the decisions that had already been made yesterday.

My contribution, Mr. Speaker, Sir, will be restricted to departure tax only, and a Bill that covers the amendment of income tax for the export of agricultural, fisheries and forestry goods.

Mr. Speaker, Sir, I understand perfectly well the increase in departure tax. It is a source of income and revenue for Government to be able to fund its operations in the financial year that has been earmarked (2024-2025).

Government has to create avenues and look for areas that it can generate revenue. My view is that airport tax is basically added on to the airline ticket which will deliver an indication of the cost for flying across and spending their holidays within a destination. The increase in departure tax will basically mean that Fiji, as a destination, will be increasing its actual cost that the tourists will need to spend if they choose to come and spend their holidays here in Fiji.

My main concern, as I have highlighted during the Budget discussions, is the competition that will be provided by the destinations in South-East Asia. Fiji had done good by rebounding well after COVID-19. In that, it was one of the first destinations to be opened. We took advantage of that opportunity, and we flew off our handle and we are reaping the benefits today.

I would have suggested in hindsight the suggestion, that may be the increase could have been done in two slots. To me, the first one is to be done in this financial year because we will finish that

period before the next budget, and then have an increase of \$200 announced during the next Budget, which will then give the impetus to introduce that increase in August next year, especially as we approach the season of October, November, December, January, February and March. It gives a comfort to our international tourists, that it is alright for high-end spenders, which we do not have the comfort of always attracting. Our attraction in Fiji is the sand, sea and smile and the nice weather that we enjoy, and that is basically one of the major pull provided also by our workers that work in our hotels. Sea and smile is the main attraction to Fiji.

While we consider it comfortable that the numbers are increasing, I am just concerned that these two increases within the Budget announcement, to me, would have been done in a softer manner – announce \$170 now and then announce \$200 in the next Budget next year. But, anyway, that is water under the bridge, and we need to meet up with the expectations that this increase in departure tax will bring forth.

Sir, the next one is the percentage on export income to be deducted on agriculture, fisheries and forestry. This is a welcome development, and I thank the Government for introducing this because this will help our export.

As the honourable Minister for Agriculture had stated in his delivery, we need to also take care of our consumption in these areas, locally. Before considering export, we need to feed our people, that is food security, and that is an important issue that Government needs to consider.

Before I take my seat, in my short contribution, Mr. Speaker, Sir, I would like to assure the honourable Minister for Fisheries that I am not a technician or a technical expert in fisheries. My expert is very limited in handline fishing. That is the only expert I have. I do not have any degree or anything in fisheries. Whatever I learned was from the last five years that I was the Minister for Fisheries. Thank you, Mr. Speaker, Sir.

MR. SPEAKER.- Thank you, honourable Koroilavesau, but you are really an expert in fishing when you are on land.

(Laughter)

I now invite the honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications, to make his contribution.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, Sir, I rise to support the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics in tabling the Consequential Bills that accompany the approval that was done yesterday. I guess what the honourable Koroilavesau, perhaps, lamented that the Bills are consequential and, therefore, are just part of the approval process.

Mr. Speaker, Sir, I think what we need to understand is that there are some very significant amendments been made today that will continue to assist us as we try and redevelop the architecture of the Fijian economy, Sir, and try and ensure that we diversify the Fijian economy and also ensure that we start achieving the aspirational 5 percent economic growth that we really need to get to, in order to try and address some of the challenges regarding debt management and also creating sustainability for our people.

One of the things, Sir, that has dawned on me in our deliberation this week is that we are really in a true democracy. The conduct of consultations, the conduct of the debate in Parliament, Sir, shows that we are in a new environment. We, on both sides of Parliament, Sir, should

congratulate ourselves and pat ourselves on the back in terms of what we are doing in front of the people of Fiji in terms of trying to progress and rebuild our nation. The transparency that we have been experiencing for the first time, twice in a row now, Sir.

Mr. Speaker, Sir, the Opposition Party have been allowed to access all the information, investment information. It is not like a big deal. The Chief Executive Officer of Investment Fiji just called, and I said, "Yes, go ahead, do it." Sir, this is the new Fiji that we are trying to rebuild.

The Opposition asked for access to the budgetary information, even the information that they were using against us in terms of utilisation. But that is the new democracy, Sir, and we will continue that because we can see that it is allowing us to all work together for the betterment of our country.

Mr. Speaker, Sir, just to specifically mention some of the great initiatives that are here, and the first one I thought I will mention is the 3 percent duty on raw materials. And if anything, Sir, this demonstrates that this side of the Parliament and this Government, your Government, Sir, we listen to the people of Fiji and we listen to everyone.

There were concerns expressed last year, we all discussed with the honourable Deputy Prime Minister and Minister for Finance and was removed. What it has done, Mr. Speaker, Sir, is just to re-energise the private sector and make them happy that when they come forward, they can move forward with a lot more optimism.

Departure Tax, Mr. Speaker, Sir, I do take note of honourable Koroilavesau's comments, but just to allay his concerns, the first increase is actually taking effect from 1st August, 2024 and the second increase is taking effect in 2025. So, in fact, we are, sort of, spreading it over for two financial years and that should be fine in terms of managing expectations.

In fact, it is a good thing, Mr. Speaker, Sir, that we are flagging it in advance because for the tourism industry that the honourable Gavoka and I know about, they are always happy when we signal things in advance rather than, sort of, hiding and be cloak and dagger and then, all of a sudden, announce a change. Again, a government that listens, Sir.

In terms of the Prefabrication Buildings Concession, Sir, this is very significant because it will allow, firstly, to accelerate the construction of hotels in Fiji. We have one significant hotel in Denarau that is seriously looking at prefab, sort of, design and they are actually now saying that they can condense their programme from three years possibly down to two years.

Mr. Speaker, Sir, from that perspective, this is a very significant initiative, and it will speed up the pace of construction in our country, and whilst speeding up the pace of construction, Sir, that just means that there are more jobs created in our country, as we all agree, is all needed.

The hotel incentive –SLIP, Sir, again, that is significant because there was a bit of a grey area in the legislation. You could only enjoy tax concession if you build a new hotel. As we know, Sir, there are now investors in the country wanting to take hold of retired, rundown properties and re-design them, enhance them, rebrand them and, sort of, attract more visitors to our shores. This, Sir, will take away that mystery and will, again, make people a lot more interested, investors particularly, for coming into Fiji, taking control of existing properties, and then enhancing them into branded hotel.

The other one that we should celebrate is the iTaukei Incentive, Sir, and I speak certainly in terms of those who are on this side of Parliament that sincerely believe that we really need to unlock the potential in the natural resource economy which is, of course, what the *iTaukei* of this country

own. Sir, these concessions will ensure that we start assisting the growth in that sector and have a look at what the Maoris have done in New Zealand. That is a benchmark for the rest of Fiji and this step, Sir, will ensure that we move in that direction.

Finally, Sir, I thought I will just touch on one final concession which is the Lyndhurst Limited Tax Free Region Concession and I do that Sir, not because I am a former employee, but I do that just to explain what this opportunity brings. The honourable Minister for Lands and Mineral Resources mentioned it yesterday but, probably, some of the honourable Members did not hear it. This project, Sir, is an eight-year project, upon completion, will actually produce between 10,000 to 15,000 jobs in Fiji. Let me repeat that again, Sir, this investment, upon completion, is just underneath half a billion dollars. So, Lyndhurst, working with FNPF, will create an investment that is estimated to create 10,000 to 15,000 jobs in Fiji, so this is a very significant concession that we have made in the interest of developing this economy.

Sir, with those thoughts in mind, I totally support the Consequential Bills. They may be called “consequential” Sir, but I beg to differ with honourable Koroilavesau and say that these are very significant amendments in the legislation for Fiji and for its future.

HON. S.S. KIRPAL.- Mr. Speaker, Sir, today I will be speaking on Bill No. 12, but before I do that, I would like to congratulate honourable Bainivalu, as I forgot to mention that in my Budget speech.

Mr. Speaker, Sir, I do support female, so I kindly request the honourable Prime Minister to have a few more lady Ministers sitting in front, as alluded by honourable Premila Kumar. Honourable Qereqeretabua has been here for her second term, she is good to be a full Minister. In my knowledge, I humbly request the honourable Prime Minister to show the country that we have gender balance.

HON. OPPOSITION MEMBERS.- Hear, hear!

HON. S.S. KIRPAL.- Talking here in Parliament about democracy, democracy has come a long way since the 1970s. A lot of governments have come and whatever legislations and regulations best suited for them, they change. Now, you are at the steering wheel so whatever suits you, you can do it. At the end of the day, we have to serve the people of our nation as Members of Parliament.

HON. J. USAMATE.- Hear, hear!

HON. S.S. KIRPAL.- It will be good to see honourable Members going out into the public and supporting the people of this nation.

MR. SPEAKER.- We want them to be in the front bench?

HON. S.S. KIRPAL.- If they do not want, we can come that side.

(Laughter)

I have already told the honourable Prime Minister, and soon if he can offer me to be the Minister.

(Laughter)

The honourable Prime Minister has plenty avenues, his numbers are large now.

Talking on Bill No. 12, I think the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics and I will also ask the honourable Attorney-General that when the Bill was tabled in Parliament from that night, Customs started charging 15 percent and they said that it is in the regulation, but the Bill was only tabled at that stage.

The Bill will be effective from 1st August, so all those charges should be applied from 1st August. If there is any regulation to be changed, as they have alluded, it should be changed. I request the honourable Attorney-General to change a few of the regulations in the Customs Act where once the Bill is tabled, they started charging 15 percent, and whatever duty they start charging and say if the Bill does not go through then they will refund the money. So, it is a double process. I think the honourable Minister for Finance will understand much better, he is an economist and a professor, and I have a lot of respect for him. I went to USP and did my Degree when he was there, so I have a lot of respect for him so I hope he will do the right thing for the nation because

(Chorus of interjections)

HON. S.S. KIRPAL.- Oh, my Professor was Dr. Reddy.

(Laughter)

HON. S.S. KIRPAL.- I do like him.

When the Ministry of Finance came for a meeting with the Opposition Members, they talked about that regulation.

The other one, I will request the honourable Minister for Finance that it is hard on all local bottling companies - from 1 cent, it went to 5 cents, if they can re-consider putting it at 2 cents or 3 cents. Do not be hard on them because maybe the local water price will go up because of 5 cents. The price of the water which we are buying from supermarkets, the honourable Minister cannot provide water.

The Tacirua area is suffering, honourable Minister, so I hope you will consider that there is no water at times. Sometimes, they do not bath for two or three days, they have to go to the river. So, I just want to let you know. There is one creek, Mr. Speaker, where they go and do their washing.

Talking about water, 1 cent to 5 cents is big and mostly, Fijian people drink Fiji Water, as well as other water in Fiji. I hope you will consider that. With all those words, Mr. Speaker, Sir, thank you for this time.

HON. F.W.R. VOSAROGO.- Mr. Speaker, Sir, I rise to make my contribution in support of the Bills which are consequential to the Appropriation Act that we had passed last night. I just want to emphasise, I suppose, a point that we probably already know. Those who have had their first and second rounds in Parliament since 2014 would understand the importance of why these Consequential Bills ought to be passed because on the balance. They would support the implementation of the Budget that we had overwhelmingly agreed to last night.

It is also important that we get these Bills through today because without them, none of the impositions that we intend to carry through with the Budget will be lawful and to that extent, I appreciate the contribution by honourable Koroilavesau, as well as honourable Kirpal, and I am sure that honourable Premila Kumar will also, in the end, support the passage of these Bills so that we can get, not just the Budget but also the Consequential Bills through and bring this week to a high end.

Mr. Speaker, Sir, I do not intend to spend the 20 minutes that I have been allocated but collectively, to make some comments on the nine Consequential Bills that accompany the Appropriation which we have passed yesterday. One of the important provisions that the honourable Deputy Prime Minister and honourable Minister for Finance had picked up was in our tax system, that is, in the reduction of prefabricated materials from the present 32 percent to 5 percent that we would begin to impose and levy from 1st August this year. Building and construction materials, honourable Members have always been an impediment to the greater construction industry in Fiji, but also even in the lesser but equally important construction of residences and commercial buildings.

Mr. Speaker, Sir, this is going to bring down the cost and if we are bringing down the cost, we are also going to be increasing the number and the level of employment that we would create in the country. I think from yesterday, we would all agree that when we went through the Budget line by line, we can identify that through this Budget, there is a lot for every citizen of this country. We can identify that in the Ministry programmes, line by line that if we look at it, there is always something there for all Fijians. The important part is, post-1st August is the implementation and the rush to ensure that that budgetary item is completely spent, and as the Opposition would impose on us, spend it well. I am sure that we have that in our books.

Mr. Speaker, Sir, the SLIP provision that the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics as well as the honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications had spoken about is an incentive to ensure that existing hotels are upgraded. If it is not upgraded by those who own it now and if there is a sale, there is always a tax concession for those who will come in, pick up the project and continue on with it. We have, I think, a deficit of about 3,000 beds. That, I think, is even a very moderate number.

The honourable Deputy Prime Minister and Minister for Tourism and Civil Aviation might have the accurate number, but notwithstanding, that number is still great. So, this sort of incentive is going to bring that investor confidence into the country where people will see an avenue of investment, pour in the money, take advantage of the concession and also contribute to our national economy, as well as our buoyant tourism industry.

Mr. Speaker, Sir, in the Tax Administration (Budget Amendment) Bill 2024, one of the provisions that clearly has been highlighted by the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics is that we now have more latitude given to our businesspeople for clearance of their goods. That is important because as we know, businesses in Fiji are not always flush with funds. Sometimes, as usual, businesses run into some brick walls, availability of funding is not always there all the time. So, the provision of more time then gives them an opportunity to clear their goods and not having all those goods forfeited because time has lapsed.

One of the great measures that we can see now, which is also an indication of our progress as a country economically, socially and collectively as a people, is that which was identified by the honourable Deputy Prime Minister and Minister for Finance in his speech on the Tax Administration (Budget Amendment) Bill 2024 is that all the measures that were there post-COVID-19, we are now returning it pre-COVID-19. That is a good thing because it is indicating to us, and we are also indicating to the rest of the world that we are now back on track. We are trying, we have gone through one of the most devastating global phenomena, and we have pushed past that that in the few years ago and we are now back on track, and we are now on a post-recovery pathway.

Mr. Speaker, Sir, the VAT on personal imports (even my wife is not in agreement with that, because they purchase online), I think the balance of that is, now local traders will have a very fair

playing field with those who trade on international online web system. So, those in Fiji who have gone through the pains and local businesses who have gone through the pain of reporting goods, putting them on the shelves, now have a level playing field with those that do the same or provide the same service online.

The Tertiary Scholarship and Loans Service (Budget Amendment) Bill 2024, Mr. Speaker, is also important because it gives provision for hardship situations. Whilst this was not there before, it is now there in this Bill where TSLS is able to help students in places and in positions of hardship.

I just want to come back, Mr. Speaker, and end with the contribution by the honourable Koroilavesau when he identified the imposition now or back to normal imposition of the departure tax. It has been a well thought-out process, Mr. Speaker, during the budgetary process by the Ministry of Finance with all honourable Ministers and the whole of Government approach, again, consistent with our out of the woods theme that we are now coming out of COVID, back into the global scheme of things, but he is right, Mr. Speaker. I just want to add on to what the honourable Koroilavesau has said.

Tourists have many destinations to go to. They could go to South-East Asia, they could even fly within the Australian domain, they could go to other South Pacific Islands, but we sell sand, sunshine and smile, better. I think that is something that as a tourist destination, Fijians just fare much better in providing that level of comfort and receptivity to tourists who, over time, keep coming back to our shores.

But it is just not that, Mr. Speaker, and I want to end on this note - they come back because they understand that a heart of a Fijian is very different from every other destination in the world. We have them in our house. We have them in our communities. We have them together with us in our backyard. We introduce them to kava sessions. We introduce them to our horsebacks. We introduce them to a lot of things that our nature here in Fiji is able to offer, and that is something that demarcates Fiji as the destination from everywhere else in the world.

Even with this imposition, Mr. Speaker, and as quietly rightly pointed out by honourable Koroilavesau, comes part of the ticket quite possibly for those high-end travellers, not a problem, but even for those who might think, "well, that is a small pinch in our budget to travel to Fiji", they will never forget the experience that they get when they come here and they return – the heart of the Fijians. The heart of a Fijian, Mr. Speaker, is what we all see this Parliament is beginning to show and the people of Fiji is beginning to see from both sides of Parliament.

Mr. Speaker, with that contribution, I support the Bills consequential to the Appropriation and I thank you for this opportunity.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I rise to speak on two Bills and maybe a third one, if I have time - Bill No.13 of 2024 and Bill No.15 of 2024.

Mr. Speaker, Sir, we all agree with the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics and, of course, with the Government, that revenue is very important for the Government to deliver its social obligation and it is important that every cent is collected. It is very crucial that we do that.

However, one needs to be very mindful of the fact that we are at a difficult situation right now. Government may be collecting the revenue, but the revenue is coming from the people, as well as from the businesses. Now, some of these businesses are not performing well and is causing the slowdown in the economy, we all know that. And, therefore, when businesses are not doing well, it

is not appropriate to put in certain changes in the legislation which is going to increase the burden, and I would like to draw everyone's attention to Clause 3 of the Excise (Budget Amendment) Bill 2024 that amends section 28 of the Act. What it does is, it imposes a fee of \$15 for each submission that is processed by the Fiji Revenue and Customs Service (FRCS) and a late penalty fee of \$115, and the time that is given for the businesses to clear their duty is just three working days. And it is also subject to the Comptroller, whichever time he or she approves.

Mr. Speaker, Sir, I have two issues here. The first issue is for the Comptroller to make that decision, which is actually subjective in nature, and we should not allow subjective decision-making to be allowed in any legislation because that opens up abuse, it opens up favouritism, et cetera. To address that, the best solution would have been to give businesses, at least, seven working days or 14 working days because within a month, the money will be paid, and the government can collect that money. But just making the period short, like three working days, obviously, would mean more and more businesses will go up to FRCS saying, "we cannot make this payment. Paperwork will increase at FRCS."

The Comptroller has to write letters to businesses and say, "Alright, I have heard your case, I will give you more time." So, why take that administrative process when you can amend the legislation and allow reasonable time for businesses to clear their duties or whatever taxes they owe? That will allow businesses to have that confidence in the system as well. When businesses are not doing well, at least, the Government is listening, and they are considerate.

So, I am urging the Government to, please, consider that because really, businesses are facing a lot of difficulties at a time like this, with a global slowdown as well so in that case we should give some leeway to businesses. I am not saying that they should not be paying the duty, of course, they will, and they must, and they should. But just giving them ample time to clear their duty within the month, and having this subjective decision to be part of the law is not a very good idea. So, that was my first point.

The second point is on the Fiji National Provident Fund (Budget Amendment) Bill 2024 (Bill No. 15/2024) and it is to do with the Fiji National Provident Fund (FNPF) members' nominee. So, it simply says, that the FNPF member can nominate whoever he or she likes, that when he or she is not there anymore, that amount can be passed on. So, if it is existing FNPF member and it says that it can be passed on to the existing FNPF member, or to another member who is not part of FNPF. So, my question here is, say someone who is over 65 years and is not an FNPF member, can that be passed on? That needs to be clarified and it is not clarified here.

Mr. Speaker, Sir, that clarification is required. Age needs to be specified so that it is clear to the FNPF member that when he or she is going to pass on, whatever money he or she has accumulated in FNPF goes to the member who can join FNPF because I think the whole idea is to retain money within FNPF and grow FNPF money. So, if that is the intent of this particular Clause, then maybe we need to consider that aspect, that if the money is passed on to someone who is over 65 years and a good example would be a young son who decides to pass on that money to his parents, if he passes away or is still working, then obviously it cannot happen. So, I am not clear about this particular Clause. Maybe, some more clarification is required.

The third one that I would like to speak on is the Water Resource Tax, Mr. Speaker, Sir. Last year, Government introduced Water Resource Tax and we know that a seven-year tax holiday was given to companies and this year, the seven-year tax holiday remains. Unfortunately, Government is trying to punish the local companies who produce smaller amounts and are, obviously, not extracting large quantity of water from the ground where 19.5 percent will apply to them.

However, the Government certainly realises that the decision they made last year is not bringing them revenue as they anticipated. So, what they did this year, they have increased the Water Resource Tax from 1 cent to 5 cents and, definitely, that affects our local producers. I feel this is not fair to our local producers because we are bending backwards to accommodate Fiji Water, and we are ignoring our own producers. Therefore, I am urging Government to reconsider this Water Resource Tax. From 1 cent to 5 cents is definitely a 100 percent increase, and that will affect businesses because every cent counts, at a time like this when our economy is slowing down.

Finally, Mr. Speaker, Sir, I would also like to thank the Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics for bringing in this 5 percent duty reduction from 32 percent to 5 percent on prefabricated building. This is definitely needed in our economy; we want to grow our economy and by doing that, we are dealing with two things; one is of course the cost component, and the other one is the labour component. Of course, we will need specialized people to do that but that will shorten the time for the construction and is going to be a gain for everyone. Thank you, Mr. Speaker, Sir.

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I would like to make a short contribution in supporting the motion before Parliament relating to the Consequential Bills, and I would like to specifically focus on the Tertiary Scholarships and Loans Service (Budget Amendment) Bill 2024 (Bill No. 16/2024).

Mr. Speaker, Sir, the amendment to the Act basically covers the:

- shifting of the bond monitoring and travel clearance from Fiji Revenue and Customs Service (FRCS) to now Tertiary Scholarships and Loans Service (TSLS);
- 50 percent penalty for non-serve bond;
- obtaining student employment records or data;
- addition of new programmes for funding; and
- reporting at risk for academically non-performing students who are being sponsored and providing false scholarship information to students.

Mr. Speaker, Sir, just let me elaborate on some of these provisions. The rationale regarding the justification of shifting the functions from FRCS to TSLS, before it used to be the responsibility of TSLS and in 2017, this was shifted to FRCS, which created a lot of concerns and inquiries from students who are covered under the TSLS bond system when they intend or wish to go overseas. Sometimes they are being directed, after going to TSLS, to go to FRCS to get their related necessary clearance. So, this is bringing the functions back to TSLS to make it a one-stop place and allow efficient services to the students. This is included in sections 5, 6, 16, 17 and 25 of the Act.

Mr. Speaker, Sir, the reinstatement of penalty, I think the whole rationale behind this is to ensure that those who have been sponsored by taxpayers' funds needed to spend time and work in Fiji through Government Ministries, or through institutions that are operating in Fiji. There have been instances where students, halfway into their bond, are being offered to go abroad, so they have to pay off the remaining balance, so this is like a deterrent to keep them here to serve their full bond period.

Mr. Speaker, Sir, as I have said, the taxpayers are not investing graduates to work in overseas countries but in our local workforce. Any graduate seeking to migrate or go for overseas employment will be required to first serve their full bond, and should graduates opt not to fully serve, then they should pay the remaining balance with 50 percent penalty before travel release is granted to go overseas and this will be through discussions and review by TSLS and the Ministry of Finance.

The collection of data, Mr. Speaker, Sir, from graduates who have studied on Government scholarship is also very, very important for future scholarship planning, especially in the areas of need, and investment for bond monitoring purposes and the data will be used in other Government planning system.

Sir, the tertiary education institutions sometimes provide incorrect information to students for the purpose of increasing their enrolment numbers and the students are charged fees for programmes which are not funded through scholarships. There have been many cases where students were given offer letters by tertiary education institutions and advised that scholarships will be given when the student did not meet the scholarship eligibility criteria. So, TSLS is running workshops for tertiary education institutions on the scholarship eligibility criteria and every year publishes a scholarship handbook. This will be given out at the beginning of next month. Government only fund scholarships in national priority areas. With this inclusion in the Act, TSLS can take actions on the intuitions providing false information. Government welcomes competition between tertiary education institutions, and we all have experienced mass marketing before the semester starts. This inclusion is included in section 18 of the Act.

Regarding at-risk students, Mr. Speaker, Sir, those who start to fail assignments and assessments from the beginning are called academically-risk students. This will ensure that tertiary education institutions have learning support and remedial programmes to provide scaffolding support to students. This will, hopefully, reduce failure and non-completion rate of students.

Mr. Speaker, Sir, it has been reported that \$160 million has been wasted by 21,685 students, who did not complete their programmes. This results to squandering of State resources and the Coalition Government wants to stop this immediately by having new inclusion in the Act. The current tertiary education institutions provide their results to TSLS at the end of the semester, and they will make sure that information that is provided is accurate information.

The adding of new programmes to be funded by TSLS carries out resources and employment checks with institutions and potential employers. This is due diligence before taxpayers' funds is used, to provide scholarships for new programmes. The Coalition Government is conscious that taxpayers' money should be used where employment is available for graduates. Furthermore, Mr. Speaker, Sir, this will avoid lawsuits from graduates who are not be able to find jobs and TSLS has been sued recently by graduates who could not find employment after four years of study under the TSLS programme. This new inclusion is outlined in Section 25 of the Act.

In conclusion, Mr. Speaker, Sir, I render my full support to the motion before Parliament regarding the Consequential Bill.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I want to thank all the honourable Members for their contributions which are very helpful. It provides clarity and allows me to also clarify some of the questions that have been raised, Sir.

On the departure tax, as the honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications quite rightly pointed out, Mr. Speaker, Sir, we deliberately announced in the two phases from \$140 to \$170 and then to \$200 and he is absolutely right that we wanted to provide this certainty well in advance for the tourism industry players to adjust and we have had some discussion with them. They are all very supportive of this phased announcement, even though it will be implemented on 1st August when we get to \$200.

The other point that I wanted to make, honourable Koroilavesau is, we have said very clearly before the tourism industry was hit by 10 percent ECAL, 6 percent STT, we are saying that we are

not going to ever bring those as long as we are in government so we have signalled to the tourism industry very clearly that these taxes are not going to come back and that departure tax is something that we feel could go back to what it was before COVID-19.

On the point that was raised about how it might affect the tourism industry, in fact, in the last eight months, as Deputy Prime Minister and Minister for Tourism and Civil Aviation has already said, visitor arrivals have actually increased by 8 percent in the last five months. Since we have come into Government, we have also increased the Tourism Marketing grant from \$20 million to now \$35 million, so marketing will also be very aggressive.

Fiji Airways always offer very competitive fares, some of them have spare capacity, I think their prices are very competitive. Airline and hotel prices are determined in a similar fashion. Hotels, as soon as they are 60 percent or 70 percent, the last 30 percent, they go very high. So, those rooms is there, Mr Speaker, Sir.

The point that honourable Kirpal raised about immediate effect, Mr Speaker, Sir, that is always by Customs law that as soon as duty increases, et cetera, is announced, the effect is immediate soon after the announcement of the Budget, because if that does not happen, for example, we announced 5 percent increase in duty on alcohol and cigarette. If it is not implemented straightaway, businesses could stock large amounts of cigarette and alcohol to be sold at a higher price but paying a lower duty. So, in the unlikely event that the Budget fails, that that duty is refundable. So, it is by Customs law that when duty and other things are announced in the Budget, the effect is immediate. And as I have said, in the event that the Budget is not passed, that duty is always refunded.

Mr. Speaker, Sir the point on the personal items, the amount was \$400. During COVID-19, it was increased to \$2,000. So, what we have done, we have not gone back to pre-COVID, we have not gone back to \$400, we have just gone back to \$1,000, and as the honourable Minister for Lands quite rightly pointed out, I am sorry your wife might not be very happy honourable Minister, but the point is that it brings a level playing field and also close that loophole where it was being misused. Sir, in many countries that have seen the rise of online shopping have put in measures to ensure that there is a level playing field.

With respect to the water resource tax, it is not part of any consequential legislation, it is by regulation, and we have had discussions with the water bottlers, Mr. Speaker, Sir, and we have decided that we will stick to 1 cent, in the meantime, instead of 5 cents.

The issue about FNPF, honourable Premila Kumar, your earlier point about the Comptroller, that \$15 was already in place, it is just a realignment of the law. What is there was already there, so we are not changing anything in terms of bringing the law in line with what was happening because there was a loophole.

HON. P.D. KUMAR.- Change it!

HON. PROF. B.C. PRASAD.- We are changing it, we are closing the legal loophole, honourable Premila Kumar, and that is what we have done.

For FNPF, Mr. Speaker, Sir, on the point raised, that is to allow an additional option for those at the retirement age. Right now, they have an option of going into pension or withdrawing the full amount. With this amendment, they will have an option of transferring some of their balances to an existing member whether it is their son or daughter, so that is the interpretation of that.

Mr. Speaker, Sir, as I have said in my opening remarks, we want to have a tax system that is

administratively simple, transparent, efficient and fair. At the same time, we want to ensure that Government is well funded.

Tax, Sir, is something which will always have gainers and losers, so it is quite natural that any tax that you put in, any increase or decrease, will always invite winners and losers. As a government, we have listened very carefully and we want to provide that balance, that transparency and that forward looking warning and certainty with respect to what our businesses and our consumers expect. But, at the same time, constantly making sure that we amend our laws to ensure that there is compliance; compliance is a big issue.

The point that honourable Premila Kumar kept making that the economy is slowing down, the economy is not contracting, Mr. Speaker, Sir. We have said that the economy is still growing and, for the first time, we are going to collect on target \$3 billion revenue by the end of this month which is going to be the highest ever collected even pre-COVID, Sir.

(Hon. P.D. Kumar interjects)

HON. S. TUBUNA.- Listen to the Professor!

(Laughter)

HON. PROF. B.C. PRASAD.- We provide proper estimates and, for the first time, Mr. Speaker, Sir, after many years that I have looked at the data, that what we projected in the last Budget is something that we are going to achieve. Sir, that is what you call a very transparent, open system of putting our tax policies, tax laws, and the point I want to make too

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- We are telling them that we are going to collect the highest ever capital revenue of \$3 billion by the end of this month, and it shows, Mr. Speaker, Sir, that what we did in the last Budget and what we are doing in this Budget is actually working for our businesses, working for our people, and working for our economy.

HON. J. USAMATE.- Hogwash!

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, there is absolutely no hogwash! That always comes from the other side. I want to thank the honourable Members for their contributions, and I commend the Bills and I ask all honourable Members to, please, support them.

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

Question put.

Votes cast:

Ayes	-	39
Noes	-	14
Abstained	-	1

Motion agreed to.

A Bill for an Act to amend the:

- (1) Tax Administration (Budget Amendment) Bill 2024 (Bill No. 8 of 2024)
- (2) Income Tax (Budget Amendment) Bill 2024 (Bill No. 9 of 2024)
- (3) Value Added Tax (Budget Amendment) Bill 2024 (Bill No. 10 of 2024)
- (4) Customs (Budget Amendment) Bill 2024 (Bill No. 11 of 2024)
- (5) Customs Tariff (Budget Amendment) Bill (Bill No. 12 of 2024)
- (6) Excise (Budget Amendment) Bill 2024 (Bill No. 13 of 2024)
- (7) Airport Departure Tax (Budget Amendment) Bill 2024 (Bill No. 14 of 2024)
- (8) Fiji National Provident Fund (Budget Amendment) Bill 2024 (Bill No. 15 of 2024); and
- (9) Tertiary Scholarships and Loans Service (Budget Amendment) Bill 2024 (Bill No. 16 of 2024)

enacted by the Parliament of the Republic of Fiji (Act Nos. of 2024)

(Acclamation)

MR. SPEAKER.- Honourable Members, we can just press on with this Government guarantee for Housing Authority and then we will take a break both, for tea and probably lunch.

GOVERNMENT GUARANTEE – HOUSING AUTHORITY OF FIJI

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, for the purposes of Section 145(1) of the Constitution and pursuant to Standing Order 131, I move that Parliament approves:

- (a) the renewal of the Government guarantee of \$150 million (Guarantee limit) for the Housing Authority’s borrowings for another 5-year period from 1st July, 2024 to 30th June, 2029 (proposed Guarantee period); and
- (b) that the Housing Authority pay a guarantee fee of 0.5 percent on the cumulative utilised guarantee credit.

HON. RO F.Q. TUISAWAU.- I beg to second the motion.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, just by way of background, the Housing Authority was established under the provisions of the Housing Act 1955 and opened for business in 1958, with the principle objective to provide decent and affordable housing to families earning a household income of \$50,000 and below, with concentration in the middle to low income families.

Mr. Speaker, Sir, I try to look at a little bit of history and what I found that the Housing Authority Act and the establishment of the Housing Authority was actually done through the efforts of two men, the former leader of the National Federation Party - Mr. A.D. Patel, who was a Legislative Member from 1944 to 1950; and Father Dermot P. Hurley, who became the Chairman of the Housing Authority. This actual letter that Father Hurley wrote to Mr. A.D. Patel was quoted by Professor Brij Lal in the book called *Vision for Change - A.D. Patel and the Politics of Fiji*. So, I just wanted to put that history.

The Authority’s mission, Mr. Speaker, Sir, reinforced by the Fijian Government’s National Development Plan on an inclusive socio-economic development platform, aiming at transforming and improving the wellbeing of all Fijians.

In discharging the functions of the Authority under section 19 of the Act, Mr. Speaker, Sir, it states, and I quote:

“...with the consent of and upon such terms and conditions as may be approved by

the Minister, raise loans for the purpose of exercising its powers and carrying out its duties and obligations under this Act.”

Section 20 of the Act further provides that the repayment of such borrowings may, among other things, be guaranteed by Government, so just by way of background.

The underlying objective of the \$150 million Government Guarantee, Mr. Speaker, Sir, is to continue facilitation of the Government’s policy to:

- (1) Provide access to affordable housing through the provision of affordable housing service lots and construction of new housing units.
- (2) Ensure that more land is available for home construction and help increase the supply of housing.
- (3) Support the vertical community strata units to accommodate more diverse group of Fijians with different demographics and family size.
- (4) Construct affordable housing units for those low and middle income earners and who may not be in a position to facilitate the construction of their dreams in terms of getting and owning a home.
- (5) Reduce the perceived risk associated with the Authority’s borrowings, therefore, reducing the cost of borrowing. Consequentially, this will make the Authority’s instruments more attractive to investors, providing them with an opportunity to support the social obligation needed to break barriers affecting their housing affordability.

Mr. Speaker, Sir, as part of the development of the domestic security’s market mainly intended to further deepen and expand the domestic security’s market, the Government extends initiative, granting private investors and individuals interest income exemption for investing in financial instruments which includes bonds, treasury bills and promissory notes issued by the State-owned entities and statutory authorities. This will certainly enhance the investor appetite to uptake the housing debt instrument.

For the last five-year period, Mr. Speaker, Sir, from 2018 to June 2024, the Authority had borrowed up to \$148 million. For the information of Parliament, the Authority was granted a guarantee cover of \$150 million in 2018, to be utilised for a five-year period from 2019-2024, of which \$148 million was utilised for land acquisition, development of land into residential lots, mortgage lending for new housing construction and upgrading renovation and financing purchase of properties by the Authority’s customers in the Central, Western and Northern Divisions.

A total of 2,661 lots were delivered from 2005 to 2024 in the following areas - Waila 3B, Wainibuku, Tacirua, Mokosoi, Field 40 in Lautoka, Namosau in Ba, Matavolivoli and Tovata. The forecast for the next five years anticipates production of 3,071 lots in the following areas - Tacirua, Veikoba, Waila, Navaramai, Veisari, Tavakubu, Waqadra in Nadi, Wairabetia in Lautoka and Tavua. The forecast above excludes the 1,031 lots assigned to the Ministry of Finance and IFC to pursue the PPP arrangement for the design and building concept. Mr. Speaker, Sir, that process is currently underway.

The Housing Authority’s outstanding liabilities guaranteed by Government as of 30th June, 2024, Mr. Speaker, Sir, stood at \$86.1 million, of which bonds were \$15 million - 17 percent; and loans were \$71.1 million which is about 83 percent. As of 30th April, 2024, the Government guaranteed debt total as required by the Constitution for Parliament to know, Sir, stood at \$1.02 billion, or 7.7 percent of GDP. Accessing the \$150 million guarantee by the Authority will increase the total Government guarantee exposure to \$1.2 billion or 8.9 percent of GDP.

Mr. Speaker, Sir, the risk analysis with respect to Housing Authority in terms of the financial position and the performance of the Authority in the past years, particularly 2022-2023, the Authority recorded a positive performance in 2022-2023 financial year - operating profit after tax stood at \$0.94 million; the total asset was \$214 million, an increase by \$15 million; while total liabilities accounted for \$154 million, an increase of \$13 million, compared to the same period last year. So, that shows, Sir, that the financial position of the Authority is quite favourable and we do not see any issues there and I do not want to go into further details.

The liquidity position of the Authority also improved in 2023 and that was clearly reflected in the current ratio in both financial years, Mr. Speaker, Sir. Normally, the rule of thumb is 2:1 and what we are saying is, it was better than that. In terms of long-term solvency, the Authority intends to borrow funds to finance long term projects. The Authority could manage its long-term obligations whereby for every 72 cents of debt obligation, \$1 is available from the total assets to meet this obligation. So, it is a fairly stable financial situation.

The Risk Analysis, Mr. Speaker, also shows that the Authority is stable on an improving trend and its profitability and liquidity are, kind of, a break-even point. The Authority, at the moment, is classified as a tier two or a medium risk entity, based on the Ministry's assessment, as per the Government Guarantee Policy. So, the Ministry of Finance is required to do that risk analysis as per the Government Guarantee policy. Accordingly, a guarantee fee of 0.5 percent was determined, it is also to give the signal to the Authority that "this is the analysis that the Government does".

The Authority, Mr. Speaker, Sir, plans to utilise this guarantee of \$150 million to deliver 3,183 lots projected to be delivered during the 2024-2028 period and the locations or areas, I have already pointed out. The total development cost, Sir, is estimated at \$229.08 million for the period 2024-2028.

Again, Mr. Speaker, Sir, this is probably not enough. As a country, we have a very big issue – a national issue, to handle and, that is, to provide affordable housing, especially to those in our informal settlements. The guarantee will also allow the Authority to access the Reserve Bank of Fiji's Housing Facility, and maintain the current portfolio of \$71.13 million, assisting about 525 customers. Furthermore, a total of \$9.82 million has been approved, assisting 184 customers.

Mr. Speaker, Sir, the guarantee credit of \$150 million will support the Housing Authority's policy agenda and, at the same time, will ensure that they continue to provide affordable lots and houses to those who need it. We all know that it has a long history, it plays a pivotal role in ensuring and supporting affordability for housing for our people through Government assistance. As I have said, to recoup part of the risk, that 5 percent guarantee is a signal, but also an attempt to make sure that Government is always careful with all its entities when bringing these kind of motions to Parliament.

Thank you, Mr. Speaker. With those remarks, I commend the motion to Parliament.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. There is a list of speakers here from both Whips and the batting is as follows:

- (1) Honourable Premila Kumar;
- (2) Honourable Prime Minister and Minister for Foreign Affairs, Climate Change, Environment, Civil Service, information, Public Enterprises and Veteran Affairs
- (3) Honourable Jone Usamate;
- (4) Honourable Minister for Housing and Local Government ;
- (5) Honourable Leader of the Opposition; and

- (6) Honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I rise to speak on the motion before Parliament to endorse the renewal of the Government Guarantee of \$150 million to the Housing Authority of Fiji, for another five years and for the Authority to pay a guarantee fee of 0.5 percent on the cumulative utilised guarantee credit.

Mr. Speaker, Sir, this is not just the financial matter, it is a commitment to meet the social development goals set by the Fijian Government, and we all agree that Fijians all want a safe place called, 'home'. We also understand that Fiji faces an acute shortage of homes, and this is mainly impacting low to middle income families.

The Housing Authority was established, as we have heard from the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics, with the key mandate to increase the housing stock over period of time. But we have seen that Housing Authority very traditionally have been involved in just making the land, dividing the land into pieces and allotting it to the families, and by doing that, again, the family had to look for money to build the house and, again, it is a very expensive affair.

So, the new thinking that has come into Housing Authority now is to develop strata apartments, strata flats, and that is the best way to go because there is uniformity and will be able to address the scarcity of land that we have in the urban area. Now, this work started way back with the development of, at least, six areas and it is absolutely ready for the development of these strata apartments, and I have heard from the Government on the commitment to continue with this project under PPP arrangement.

Mr. Speaker, Sir, the Government guarantee to the Housing Authority is a necessary step towards addressing our housing shortages and enhancing the social stability that we need in our community.

I also want to say that the Government guarantee is not an immediate expenditure. It is just an assurance from the Government to the lenders that if Housing Authority is unable to pay the loan, then the Government will. Such a guarantee from the Government gives credibility and confidence to the lenders to engage with Housing Authority and for the Housing Authority to shop around and secure the necessary funds on favourable terms because if the Government guarantee is not there, I can assure you that Housing Authority will have great difficulty in getting money on favourable terms.

Mr. Speaker, Sir, I view infrastructure in construction projects as a powerful job creator, providing employment opportunity across a wide range of professions. Even Housing Authority, embarking on to a PPP project will require drafters, architects, engineers, quantity surveyors and also from builders and labourers to suppliers and manufacturers of building materials. So, it will create a lot of economic activity within Fiji. Unfortunately, the Budget that we have just passed had very little in that area.

Mr. Speaker, Sir, this guarantee will allow the Housing Authority to expand its housing initiatives without placing undue strain on the Government resources. We all know that the Government resources are always limited because the demands are more from the people and, of course, from every other sector, but the resources are just limited. Can you imagine if the Government had to, again, assign \$150 million to Housing Authority to invest in housing sector?

That would simply mean that the Government would be cutting out other important social obligations.

So, from that perspective, Mr. Speaker, Sir, I see that this initiative is a prudent way of managing finance, and Housing Authority, with that Government guarantee, will definitely not put any strain on Government finances because they can go outside and borrow money because of the Government guarantee.

However, Mr. Speaker, Sir, as a caution, I must emphasise the need for a careful oversight and accountability. The Housing Authority must ensure that every dollar is spent wisely, with a clear focus on delivering affordable housing to those who need it most. Mismanagement or inefficiency must not be tolerated, as it would undermine the very objectives we are trying to achieve through this Government guarantee. And I want to draw our attention to the special investigation report that was done during my term as Minister for Housing, which was done by the Office of the Auditor-General.

Mr. Speaker, Sir, it was quite disappointing because as soon as I was announced as Minister for Housing, I started receiving complaints from the public, probably because they thought that I was still the CEO of Consumer Council of Fiji. They started lodging a lot of complaints, saying that they had put in their request for a piece of land 10 years ago and 15 years ago, and they have not heard anything from Housing Authority. Instead, what they have seen that there are people who can afford to buy a property elsewhere, were given lots in areas, like Tacirua and Wainibuku. So, the financial position of some of those people who got those lots was much better, therefore, the people started questioning as to why they were not able to get that lot.

That drove the Government to undertake this special investigation and we found that there were lots of problems with the operation of Housing Authority. They did not have clear policies and guidelines, and any staff was making a decision on how the lots should be allocated. I am sure that the investigation report is a learning and, hopefully, Housing Authority is working in that area to improve the operations and bring about more clarity and transparency in the system.

Mr. Speaker, Sir, for now, I can say that the CEO of Housing Authority will be able to bring about better efficiency in the system. He has a wealth of knowledge from ANZ, and he was managing ANZ operations. When we talk about big banks, the whole objective is to reduce cost and maximise profit. So, by getting someone from that background, we do expect better performance from Housing Authority.

Having said that, Mr. Speaker, Sir, I support the motion before Parliament.

MR. SPEAKER.- When you mentioned ‘strata titles’, honourable Premila Kumar, is that applicable to Native land as well, or is it just State and Freehold land?

HON. P.D. KUMAR.- Mr. Speaker, Sir, the strata apartments would be built on these land. Some of these land are Native land.

MR. SPEAKER.- All I am asking is, you now can do it on Native land?

HON. P.D. KUMAR.- Yes, Sir.

MR. CHAIRMAN.- Thank you.

HON. S.L. RABUKA.- Mr. Speaker, Sir, I thank the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics for bringing this

motion up. But before I speak on the motion, I would like to thank Parliament for their contributions to the Budget Debate and for having it passed. I also thank the people of Fiji.

We are going to be looking at this motion on the issue of Housing Authority and the provision of housing for the people of Fiji that has been there since 1955, as we have heard this morning. But I would like to go further back, I would like to go to 1874, Sir, the Deed of Cession. I am grateful that we now have the Great Council of Chiefs back because we can then look back at the wisdom of the chiefs and the leaders of the past. We spend a lot of time criticising some doings of the previous governments and we keep blaming them, but we very seldom thank and give tribute to those who had laid the foundation for what we now do as a nation and as the people of Fiji.

Mr. Speaker, Sir, I would like to thank the Fijian chiefs, the leaders, the landowners, the teachers, the doctors, the nurses, healthcare workers, church and religious leaders, parents, prefects at schools, the elder brothers, elder sisters and families, taxpayers, investors, tourists and visitors to Fiji - all who have been involved in what we now enjoy as Fiji and Fijians.

I would like to thank the leaders of the past and also pay my tribute to the leaders and the chiefs of the land we now sit on and have our Government Offices established on - the Chief of Suva and Chief of Rewa, and their descendants who are now with us and all those that are rising up or emerging to be future leaders of the land.

Mr. Speaker, Sir, I rise to contribute to this motion, tabled by the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics. I am particularly interested in this motion because I am a beneficiary of Housing Authority. My father and I bought a piece of land, and then we borrowed from Housing Authority many, many years ago.

Before that, we were in an informal settlement. You, Mr. Speaker, Sir, was also brought up in an informal settlement and then became Housing Authority flats. So, a lot of us here know what this is all about. A lot of people out there thought we parachuted down to be in those high position as we now enjoy. It did not happen like that. We all had to struggle through housing, education, informal settlements, to be here, and we would like to encourage those who are watching us that there is hope. For every leader, there was a struggle. And the old saying goes, “Every saint has a past.” We are not all clean. Some of us who are now clean, had a past – it is not very clean. “Every saint has a past and every sinner has a future”. I would like to encourage the people to think like that.

As we have this morning, it was established by Colonial Ordinance in 1955 and I am glad to have been part of the Coalition Government that I led in the 1990s. The Authority was declared a Commercial Statutory Authority under the Public Enterprises Act of 1996. I was reminded this morning when we were dealing with the Consequential Bills, I showed one of them to the honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications and said, “That is your father’s Bill in 1991”, the Value Added Tax (VAT), as we now know. I was part of that the Interim Government in 1991 before the Parliament of 1992, and we passed that. I nearly lost the General Election of 1992. A lot of people did not understand what VAT was all about. They went again the SVT Government for having introduced the VAT. But now we know that it is a very fair tax base for any country.

The Authority moved away from designing and building homes to concentrate on the production of land lots and provision of financing in 1997, also during the time when I was Prime Minister. I am very glad to have been part of that history. Now, we are looking further ahead and more into the area of not only housing, but all the support infrastructure that is required.

In the Budget debate, we talked about the Naboro Landfill. We will have to be considering having more of these available as we grow our urban population. Sewerage treatment plants, all those things that are involved in city development, new town developments, these will all have to come under our housing development and proposals, and it will also raise the costs. We have to try and make it affordable, sustainable and make them also safe, as part of our commitment to the Sustainable Development Goals to ensure access for all to adequate, safe and affordable housing and basic services and upgrade slumps (I do not like using this because I was in the slumps, I would like to call them informal settlements), integrated housing frameworks, support economic, social and environmental policy planning and infrastructure linkages across the urban and rural ecosystems, buildings, increase in resiliency. For all these, Mr. Speaker, Sir, I thank the traditional landowners - the *vanua*, that will have to consider giving up or contributing their land for us all as we continue our housing provision for the people who are moving out from the islands where we originated from, to the main centres.

Mr. Speaker, Sir, through the Government guarantee to the Authority, instruments such as bonds offered to investors become more attractive as risks are reduced. Funds raised by the Authority will be used to acquire new land, carry out land development projects for fully serviced lots and provide cash loans to customers for new house construction and to purchase new houses.

We are all aware that the demand for housing in our urban centres far outweigh supply, and Housing Authority sites are therefore a step in the right direction. We thank all those who have contributed towards the development of Housing Authority.

I remember, Mr. Speaker, Sir, a shop owner in three miles, Mr. Hira Lal, who rented out his upper floor to my father and my uncle and we rented there. The next door was the other man, one of our most renowned academics, who writes in to us from overseas now, Dr. Wadan Narsey's father-in-law. We lived in Naikatolu, as we called it then. Mr. Hira Lal was a very good shop owner because we would go and buy juice from him and sell the empty bottles back to him. We bought milk from him and sold the empty bottles back to him. So, it was a very lively community. Then we moved to the Housing Authority lots and built our house. I am a very proud owner of a piece of land now in Suva with a house that my father and I built on Housing Authority loan.

We had to build it in 1968, Mr. Speaker, Sir, because in 1969, I was going to be commissioned in the Army, and my salary, as well as my father's salary as a teacher, would have taken us above the loan limit for Housing Authority. We were no longer called low-income earners jointly; we went over that threshold and we would have been forced to go to Home Finance which my father worked hard for. Although he was only a district schoolteacher, he said, "that will be too expensive for us. Okay, let us do it this year." So, we got a Housing Authority loan.

Mr. Speaker, Sir, as announced in the Budget, funding of \$13.5 million is being provided for the formalisation of informal settlements, to ensure better access to basic amenities. A further \$5.5 million is allocated for continuation of the First Home Buyers Grant and a total of 295 applicants will be assisted through that initiative. To support the Housing Authority in its residential lot development in Valelevu, \$7.9 million has been allocated for that. Even the Veikoba Bridge that came up during our Budget debate and Koroi-pita Model Town Grant for Habitat for Humanity, as well as subsidised assistance for the Public Rental Board.

All these increases, Mr. Speaker, Sir, are made possible because the Government is prepared to guarantee the loan to Housing Authority to be able to carry out its functions of providing affordable housing to our low and middle income earners and continue to improve the social development of the people of Fiji, particularly those who are moving out from the rural areas and outlying islands to the urban areas. I support the motion, Mr. Speaker, Sir.

MR. SPEAKER.- As you alluded, we are proud to be part of the Raiwai-Raiwaqa area and we will never forget that. Honourable Rayalu is sitting here and even the former Member of Parliament, Mr. Rasova, is sitting in the gallery.

HON. J. USAMATE.- Mr. Speaker, Sir, thank you for giving me the opportunity to contribute to the debate on the motion before Parliament and at the outset, I would like to say that I support this motion. The importance of this motion has been so eloquently articulated by the honourable Prime Minister, that is, the importance of housing and the impact it has on people in life.

I did not support the motion before on the Consequential Bills because there are some things there that I was not fully supportive of, but this one, I most definitely support it entirely, Mr. Speaker, Sir. I just wanted to make that clear. As I have said before in my speech the other day, I will support the things that I believe are in the best interest of this country according to the basis of my own convictions.

As has been articulated, Mr. Speaker, Sir, the advent of the Housing Authority back in the 1950s has been a major cause for transformation in the lives of many people of this country. It has made a huge transformative change when it is able to address the needs of those for whom it was designed. People have struggled to come across to Suva around the urban areas, they have struggled to find places to live in, and that has been expressed here. People have been brought up in Raiwaqa, we were also brought up in settlements around Fiji, and there has always been this aspiration. When you live in a settlement, you never think that one day you will live in a concrete house, or that one day you will own a car. That is, sort of, like beyond the horizon for you.

So, the advent of the Housing Authority and the opportunities that it provided, allowed people to get something that they never really dreamed that they would get. So, I think it has made a huge transformative change. That is why it is necessary to support it, and I am glad to see that this *modus operandi* that we have, that we establish entities that are able then to be self-sufficient and we can then provide them with the guarantee for them to get their funding to do their work, is a great way of doing things. As has been expressed by my compatriot, the honourable Premila Kumar, it frees up Government from the shackles of having to provide the financing for these operations.

But I think, Mr. Speaker, Sir, it is very important also for me to think about it. One of the most fundamental components of a good quality of life is for a person to have their own home. There are a lot of other things when you talk about the quality of life that you can talk about things, like wealth and employment, things like physical and mental health, and I think a home on its own, having your own home that is safe, also contributes to your mental health. When someone has that sort of feeling, the effect on productivity in this country can be exploded, it can be a catalyst - having your own home, feeling safe and secure and feeling comfortable. You know all the pressure that may impact on you psychologically have been eliminated, and it gives you that safe space.

I think housing is something that contributes to the quality of life but also to growth, productivity. I was listening to the comments by the former Minister for Housing, she was talking about the fact that now with the current management that we have in Housing Authority and listening to the figures by the honourable Deputy Prime Minister, it looks like they are hitting their financial targets well. It is very important, Mr. Speaker, Sir, that as you are hitting your financial targets to balance because there will always be a balance between these two things - hitting your financial targets and making sure you remain true to the vision of the entity, that is, to assist those who have low income and middle income.

One of the speeches in Parliament this week has been talking about Housing Authority in the past that sometimes has made available land for people and eventually that has become rental castles

for the rich. So, there is this important element of the balance between making sure you hit your financial targets and be effective and effectiveness means providing the value to those for whom Housing Authority was designed - those at the lower and middle income.

Mr. Speaker, Sir, I have had the privilege of serving as the Minister for a number of years and it always hurt me greatly to see that civil servants were living in squatter settlements. I think this is a huge challenge for us. The advent of the Housing Authority, as I have said, has been something that has had a transformative impact on the people of this country. We need to make sure that it maintains that, that it continues to provide services for the people that really need it. It must be self-sufficient economically, but it must remain committed to that course. I think the importance for good governance, fit for purpose management, fit for purpose directors, fit for purpose people at all levels of the organisation, will allow us to ensure to move in that direction.

I am not going to speak for too long. As I have said, I support this motion wholeheartedly for the benefit of the low and middle income earners in this country.

MR. SPEAKER.- Is the Housing Authority still under the Public Enterprises too? The core interest of Housing Authority under the Housing Authority Act and under the Public Enterprises Act is affordable housing and the bottom line is profit, so that is, kind of, conflicting each other. I hope that has been taken care of.

HON. M.K. NALUMISA.- Mr. Speaker, Sir, I rise in support of the motion before Parliament and I must thank all the previous speakers who have fully supported the motion.

Mr. Speaker, Sir, housing remains a critical issue in Fiji because it affects countless individual families and increase in land and house prices make it a challenge for ordinary Fijian households in accessing affordable and adequate housing.

Mr. Speaker, Sir, we are pleased to see and note that Housing Authority develops residential lots accessible to the Fijian people, hence assisting in the provision of affordable housing. As alluded to earlier by the previous speaker, the Housing Authority was established under the Housing Act 1955, with the principal mandatory objective of providing decent and affordable housing to low and middle income earners around our country. The Authority's mission is to continue to assist families with household income of below \$50,000, while it also offers concessional loan packages to those families earning below \$30,000.

Mr. Speaker, Sir, the housing market segment is exposed to changing economic cycles, affecting individual customers or other risks that might affect customers who are servicing their loan at Housing Authority. While Housing Authority manages risk concentrations, the Government provides support through social debt relief policy scheme, to ensure that those financially distressed customers - those customers who are facing financial hardships and could not afford to maintain or repay their loans, maintain their properties, thereby creating security and resilience within their families.

Mr. Speaker, Sir, there is one scheme that was introduced by the Housing Authority way back in 2011 and this scheme is known as Debt Relief Scheme, which was part of the Social Housing Policy of the Authority, to assist Housing Authority customers who are facing financial difficulties in servicing or repaying their loans. From 2011 to-date, a total of \$4.89 million as housing assistance grant had been given to Housing Authority to assist these customers in paying off their loans, as well as maintaining their houses.

There are a lot of success stories about this initiative, Mr. Speaker, Sir. I remember when I was in Housing Authority, there was this retiree, who was just mourning the passing of his wife and the officers from Housing Authority went and served him a letter, telling him that his loan has been forgiven by Housing Authority. And you know what he told the officers from Housing Authority, “this is one of the best messages that he has received in his entire life.”

Under this Debt Relief Scheme, Mr. Speaker, Sir, it can only be given to those who have retired and could not afford to repay their loans to the Authority, as well as those who are proven to be medically unfit and have lost employment, as well as those who are proven to be mentally and physically disabled.

Mr. Speaker, Sir, Housing Authority has provided security through Government guarantee of \$150 million since 2008 for a period of five-year circle. This funding is utilised to fund the development of land, production of fully serviced lots, construction of houses, and undertake various social and housing projects.

Since 2008, Mr. Speaker, Sir, the Authority has managed to deliver 2,661 lots in the Central, Northern and Western Divisions. A total of \$304.46 million was utilised since the inception of the five-year cycle Government guarantee, while borrowing was kept at \$150 million.

Mr. Speaker, Sir, the demand for affordable and quality lots has increased over the years. This is evident and also shown in the number of applications that were received by Housing Authority through expressions of interest received for new subdivisions at Covata in Labasa and at Makosoi Subdivision in Deuba, Pacific harbour. For Covata, having developed 100 lots and Makosoi with only 34 lots, the Authority received a total of 261 expressions of interest for the Covata Subdivision and 185 expressions of interest for the Makosoi Subdivision at Deuba. That speaks volume of the demand that are out there, people who are looking for housing around our country.

The approval of this Government guarantee with an amount of \$150 million for the next five years from July 2024 to June 2029, will support the Government in providing access to affordable and adequate housing, breaking barriers and affecting affordability. In addition, this will ensure that the Authority have easy access to the Reserve Bank of Fiji housing facility with a concessional interest rate of 0.25 percent and secure concessional loan and reduce the cost of borrowing.

Mr. Speaker, Sir, I also take this time to thank the CEO, as well as the Management and staff of Housing Authority for serving the people of Fiji. As alluded to earlier by honourable Premila Kumar, there were some shortfalls in terms of lot allocation policy, but the Authority has learnt and now has developed a very transparent and a very healthy housing policy. It is also not only to affect only certain individuals but is also going to ensure that the people of Fiji and the clientele that Housing Authority is mandated to serve are well served in the revised housing policy that has been currently developed by Housing Authority.

Government needs to continue to support Housing Authority, Mr. Speaker, Sir, because housing is a basic need and through our assistance, through the provision of this Government guarantee, it is going to support the Authority in the delivery of its future projects which it is aiming to do just for the provision of housing to the people who are middle income earners as well as low-income earners around the country.

I want to thank you, Mr. Speaker, Sir, for this opportunity and I fully support the motion before Parliament.

HON. I.B. SERUIRATU.- Mr. Speaker, Sir, thank you for the opportunity to also contribute to the motion by the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning, National Development and Statistics on the renewal of the Government guarantee of \$150 million for the Housing Authority's borrowings for the next five years and, of course, also for the Housing Authority to pay a guarantee fee of 0.5 percent on the cumulative utilised guarantee credit.

Mr. Speaker, Sir, as alluded to by my colleagues on this side, we do offer our support on the motion before the floor because of the importance of the services that Housing Authority provides from long ago and still continuing today.

I do wish to join the honourable Prime Minister in acknowledging the past leaders because it is quite interesting and fascinating as well to see how this has progressed over the years, from 1955 when the Act was established and then it came to being in 1958 (if I remember correctly) but, perhaps, the big change, Sir, was in 1996 that you were alluding to when it was decided that Housing Authority be declared a Commercial Statutory Authority (CSA) and is also required to provide returns to Government. This is probably one of the CSA's that we are still providing guarantee to and, hopefully, that one day they will graduate out of it and join the others that have done quite well in terms of their financial performance.

Mr. Speaker, Sir, again, going back to their role as alluded to by the honourable Deputy Minister and Minister for Finance and Strategic Planning, National Development and Statistics, the honourable Prime Minister and all honourable Members who have spoken before me, the initial vision of providing affordable housing. I was the one that raised in my contribution to the Budget debate, Sir, based on some of the previous projects, I raised the question about affordability - how affordable is affordable? Particularly, those who were supposed to be beneficiaries out of this were not able to get access just because of the high cost involved. As a result, probably those on the higher echelons, those that are better off, again, get the privilege to enjoy what is provided but, at the same time, denying the very people that we were supposed to assist through the project.

Again, also, I note with interest how they have also changed in terms of strategies, marketing probably, Sir, based on the needs and, of course, the environmental and climatic conditions, and economically as well, because initially the Authority began operations with the development of rental flats. They then progressed into the development of lots, designing and building of homes. Then they shifted, Sir, to designing and building of homes to concentrate on the production of land lots and the provision of financing. This is interesting as we look at where our Housing Authority started and where it is today, Mr. Speaker, Sir.

Rather than repeating what has been stated by the previous honourable Members who have spoken, Mr. Speaker, Sir, I, perhaps, just wish to concentrate because reading back on a few Reports years back, and I thankful to the honourable Minister for providing us with the current financial position or the latest position because I did not have access to that, but I went back a few years and, particularly, the recommendations by the Standing Committee on Public Accounts to the Management. Probably, that is something that they still need to make sure that they maintain that focus, as alluded to by honourable Usamate. It is one thing is to have profits but particularly in the corporate world, they talk about the double responsibility of gaining profits, and at the same time, ensuring that their social responsibility still continues. That is why it is important that they remain true to the vision of the entity.

Probably two things from those previous reports, and I am thankful to the new CEO and his team. One was, the Authority should review its lending policies and practices to minimise the level of non-performing loans. I know that this is very, very important for Housing Authority and we always continue to emphasise the need for us to have fit for purpose members in the Board, likewise

in the Management because in the end, although we are providing this financial assistance, hopefully, they can be able to sustain their own operations, even provide some of the returns to Government and, at the same time, sustain in the long term, Mr. Speaker, Sir, because the importance of the performance of Housing Authority in as far as loan is concerned because the regular monitoring and review of loan accounts is pivotal for an entity such as the Authority, whose financial standing relies considerably on loan repayments. I hope that this is something that we can expect from the current management.

Mr. Speaker, Sir, the other thing that I also wish to state here is the role of oversight and scrutiny. We have discussed this during the Budget week. We are giving taxpayers' funds to the various agencies. That is good, but this Parliament also has a responsibility in terms of oversight and scrutiny. Let us not only leave it to the existing agencies - Standing Committee on Public Accounts, I mean, and other enforcement agencies, like FICAC and others, that should be the last resort.

I am urging this august Parliament, through your leadership, Mr. Speaker, Sir, we are beginning to strengthen and enhance these mechanisms so that we can ensure in terms of our democracy and good governance principles, it is not only something that is on paper, but it is practice. This Parliament, hopefully, should also be in a better position to scrutinise and have oversight over these public funds because we have talked about implementation. We are giving the money, and it is more output-focused rather than outcome-focused. It is the responsibility of this Parliament in terms of scrutiny and oversight that we also share in this because that will be good for Fiji in terms of our democratic principles, governance, et cetera.

Lastly, Mr. Speaker, Sir, just on risk assessments. Honourable Minister, Sir, it is not only on financial risk assessments, I also wish to speak from resilient cities, resilient settlements, wearing the climate change hat and, of course, disaster management under the Sendai Framework. Unfortunately, for some of our housing projects that were done previously, the risk assessments were not done properly. That becomes a burden to Local Government, NDMO and other agencies in terms of responding during disasters.

You would know the Naodamu Housing in Labasa, Mr. Speaker, Sir. Now, I see the two honourable Ministers, whenever I mention something about Vanua Levu, they always giggle on the side. I still have Tailevu at heart, Mr. Speaker, Sir.

MR. SPEAKER.- We are proud of your connections, Sir.

(Laughter)

HON. I.B. SERUIRATU.- Mr. Speaker, Sir, risk assessments are very, very critical because in the climate space, resilience cities is very, very critical for our macro-economic performance, and most importantly, for the wellbeing and safety of our people. Sometimes, we compromise risks just for the sake of getting the project to go ahead but, in the long term, we also suffer.

I would urge Government and all those responsible, we must do proper risk assessments, not only financial risk assessment but most importantly the physical risks as well, whether those risks can be reduced, mitigated, transferred or we live with and manage those risks, that is the big question, Sir, because it is important for us in the long term.

Thank you, Sir, that is my contribution and I fully support the motion.

HON. M.S.N. KAMIKAMICA.- Mr. Speaker, of course, I rise in total support of the motion tabled by the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning,

National Development and Statistics, on the extension of the \$150 million guarantee for the Housing Authority.

Sir, I know that I am standing between everyone and lunch but, perhaps, if I may be allowed just to pick up on a couple of points, first, I am a bit of a history junky, also, the symbolism of the last few days in accordance with what we are doing with the housing guarantee and, perhaps, just touch a bit on what we are trying to do in terms of economic diversification, relative to housing, Sir.

Firstly, Sir, as I stand now, we are 567 days or one year six months and nineteen days into your Government service. Yesterday, in case Parliament did not realise, we did pass our second Budget of your Government, Sir, and that is an immense signal to the whole of Fiji, that we have delivered on the Budget, but more importantly, Sir, we have delivered on stability, security and sustainability for the new Fiji. That has to be made known to everyone, including those listening in today.

I would like to credit, you, Sir, for your leadership over the last few days and also, to the honourable Prime Minister, for his leadership, that has brought us here today to this very significant historical occasion. I thought I just share that with the rest of Parliament.

Secondly, in the spirit of talking about housing, I am reminded fondly about the *Bible* verse of Mathew 7: 24-27 on the house and how you build a house - building a house on sand and what that means.

Sir, my challenge to everyone here today in the spirit of symbolism, what type of house do we want to build in the new Fiji? I challenge all of us - what type of house do we want to build in the new Fiji? Ten brothers on the other side have come across.

Sir, we have some major significant issues in front of us. So, I want to challenge everyone today in the spirit of what we are doing with the Housing guarantee, what type of house do we want to build in Fiji?

HON. J. USAMATE.- You make sure you build the right house.

HON. M.S.N. KAMIKAMICA.- Finally, Sir, we have an opportunity. Honourable Usamate, totally miss the point. He said to me, “you make sure you build the right kind of house”. No, honourable Member. What I am urging is all of us together, we build this new house for Fiji.

Mr. Speaker, Sir, I just thought I just share that as well. It is just a challenge to all of us. We have been here for one year and 6 months and there is not much long to go before we start fighting elections again, but the question we need to ask ourselves is, what do we do as people? We have all been sent here by the people of Fiji and we really need to work together to solve some of the critical issues that lie in front of us.

Sir, finally, of course, in support of this motion, I cannot help but make a jab at the other side of Parliament, I know honourable Premila Kumar talked about PPP, but when we talked about PPPs, I get very scared, Sir. It reminds me of the ASPEN situation, Sir. That is their legacy in terms of PPPs in this country, and they can duck and weave, Sir, but the PPP for ASPEN will hang over their heads as one of their things that they need to own.

I would like to assure the other side of Parliament that we have learnt from their first venture, if you like, Sir, into PPPs, and we will do our best to make sure that we never repeat the type of incident that has come across through the disclosures by the honourable Deputy Prime Minister and

Minister for Finance and Strategic Planning, National Planning and Development in terms of PPPs in this country. We actually need to fix it because from an international community, probably they do not realise this, Sir, at the moment we do not have a good reputation when it comes to PPPs because of the ASPEN situation. So, we need to work together to actually try and fix this perception about PPPs. The honourable Deputy Prime Minister and Minister for Finance, Strategic Planning, National Planning and Development has advised that we will be getting closer on the IFC exercise that is currently underway and that is positive, Sir.

Finally, because I am wearing my hat as the Minister for Trade, there was talk about economic diversification from the other side. One of the key things to unlocking diversification or the economic activity in Fiji is to begin with the housing construction.

Mr. Speaker, Sir, you have seen the signal has gone with the prefabricated equipment. We have seen in Investment Fiji an increased interest from developers to start their own housing project. I just got an email from one particular investor just now, saying that he wants to talk more, to make sure that he gets going in terms of his own development with the landowners.

HON. J. USAMATE.- Too much talk!

HON. P.D. KUMAR.- Too much *talanoa*!

HON. M.S.N. KAMIKAMICA.- There is a massive opportunity in front of this country in terms of developing the housing sector. We, on this side of Parliament, intend to actually do something about the housing problem. I am told that at the moment, we have a housing shortage of about 7,000 homes. That side of Parliament, Sir, did nothing about it.

Mr. Speaker, Sir, I totally support the motion before Parliament. Housing Authority will be a fundamental agency when this side of Parliament actually executes on something they could not do, and we look forward to their support as we try and resolve some of the massive problems that we have inherited. I thank you.

HON. P.D. KUMAR.- They are full of politics and have nothing to share.

MR. SPEAKER.- I now call on the honourable Deputy Prime Minister and Minister for Finance and Strategic Planning and National Planning and Development to speak in reply.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I thank the honourable Prime Minister, the honourable Leader of the Opposition, the honourable Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications and all honourable Members, including the honourable Minister for Housing who have spoken on this motion, and I thank all of them for their support.

Mr. Speaker, Sir, I do not want to prolong this anymore, I just want to thank everyone again. In fact, honourable Premila Kumar did say some really good things today, and the honourable Leader of the Opposition also alluded to that.

Mr. Speaker, Sir, at the end of the day, the financial model that we have to get in order for Housing Authority to lead the massive task of providing affordable housing to so many people in our country. As I have said before, this is a national issue, it is part of our National Development Plan, there is quite a bit of focus on it and I think both, honourable Kumar and the honourable Leader of the Opposition, did talk about the role of the Housing Authority. I agree with them that the Housing Authority, as a good entity supported by the Government in terms of guarantee, Sir, will have to take

a much more aggressive role, not only in terms of its management, in terms of its ability to open up more land and provide land titling for lots as quickly as possible. I know the honourable Prime Minister once mentioned to me this famous Peruvian economist, Hernando de Soto, and the philosophy behind what he tried to do. I think the honourable Prime Minister was right, and honourable Usamate alluded to this. When people own a piece of land or a house, it gives them the confidence, it improves capital investment, it creates economic activities, and it helps not only their own personal security in terms of where they live and how they live but also it is a big contribution to the economy.

The other point that I want to make and perhaps, the honourable Minister for Housing and Local Government could look at that, I think some of our bylaws and regulations are too complicated and sometimes, Mr. Speaker, Sir, it adds to significant cost and that is why the whole financial model just goes out of the window. Then Housing Authority, as honourable Kumar pointed out, gets into its financial model looking at the bottom line, so instead of selling those lots to people in the low income category, they have to make money by selling it to those on the high income side.

Mr. Speaker, Sir, the PPP model that we are looking at, and the Deputy Prime Minister and Minister for Trade, Co-operatives and Small and Medium Enterprises and Communications is absolutely right, if we do not get the financial model right because not everyone in that model or strata housing strategy will be able to afford to buy even a one-bedroom or a two-bedroom unit. Therefore, part of the Government's policy there within that financial model is that the Government will provide subsidy and the subsidy will be based on a means test, the lower the household income, the higher the subsidy. Those who are on a higher income, the subsidies will be lower. So that is something that the Government has already committed.

The big issue, Mr. Speaker, Sir, is that urban centres are getting crowded. The honourable Minister for Education talked about schools being overcrowded and it is partly because the expectation of people when they move into the urban areas, that they will have better prospects - better education, better homes, and the expectation of what happens in the future determines what happens today. So, people move with the expectation, with the probability that this will be, and that over the last 10 year to 15 years or more, it has caused people to move in a rapid rate. When they move, they find that these things are not available.

I appreciate all the points that the honourable Prime Minister, the honourable Leader of the Opposition and everyone else made. Again, Mr. Speaker, I thank the honourable Members for their support, and I commend the motion to Parliament.

MR. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, I intend to adjourn Parliament now for lunch and when we return we will try and complete all the remaining items that are still part of today's agenda, that is, the Reports from the various Committees and just a few more before we finish off today's programme in today's Order Paper.

HON. L.S. QEREQERETABUA.- Sorry, Sir, I did not realise you heard me. Honourable Members around my corner were asking if we could just continue and finish the presentation of documents and reports.

MR. SPEAKER.- I hope you are all in agreement there.

HON. MEMBERS.- Yes.

MR. SPEAKER.- Thank you. Honourable Bala, the lunch will go cold now.

PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS

The following Reports were tabled by honourable Ministers responsible in accordance with Standing Order 38(1), and referred to the relevant Standing Committees for deliberation in accordance with Standing Order 38(2):

Standing Committee on Economic Affairs

Energy Fiji Limited - Annual Report 2023 (*Parliamentary Paper No. 57 of 2024*)

Standing Committee on Social Affairs

- (1) Ministry of iTaukei Affairs – Annual Report 2019-2022 (*Parliamentary Paper No. 155 of 2023*);
- (2) Fiji Teachers Registration Authority – Annual Report 2020-2021 (*Parliamentary Paper No. 105 of 2024*); and
- (3) Fiji Higher Education Commission – Annual Report 2018-2021 (*Parliamentary Paper No. 106 of 2024*).

Standing Committee on Economic Affairs

Sugar Cane Growers Fund Annual Report 2021 (*Parliamentary Paper No. 47 of 2022*)

Standing Committee on Natural Resources

- (1) Ministry of Agriculture Annual Report 2019-2022 (*Parliamentary Paper No. 32 of 2024*);
- (2) Ministry of Agriculture Annual Report 2020-2021 (*Parliamentary Paper No. 33 of 2024*);
- (3) Ministry of Agriculture Annual Report 2021-2022 (*Parliamentary Paper No. 34 of 2024*); and
- (4) Ministry of Forestry Annual Report 2022-2023 (*Parliamentary Paper No. 53 of 2024*).

PRESENTATION OF REPORTS OF COMMITTEES

MR. SPEAKER.- Honourable Members, please kindly note that there will be five Committees Reports for tabling today.

Consolidated Review Report – Ministry of Agriculture 2019-2022 Annual Reports

HON. T.N. TUNABUNA.- *Malo e lelei tamasi!* As Chair of Standing Committee on Natural Resources, I am pleased to present the Committee's Consolidated Report on the three Annual Reports from the Ministry of Forestry that covered the periods from 2019 to 2022. Through these Annual Reports, we gained invaluable insights into the various activities and achievements of the Ministry during the review period.

The Committee has noted with concern the overreliance on imported forest products and the decreasing export of such forest products. Amidst global concern about climate change and environment degradation, Fiji has continued to demonstrate its commitment to responsible forest management and conservation. The Ministry of Forestry has been at the forefront of these efforts, implementing policies and initiatives aimed at preserving our rich biodiversity, mitigating climate change and fostering socio-economic development.

In the face of evolving threats, it is essential that the Ministry remains vigilant and proactive in its efforts to safeguard our natural resources for future generations. It is imperative that we acknowledge the work that lies ahead. The sustainability of our forests is not merely a goal, but a shared responsibility that requires ongoing commitment and innovation.

The Committee noted the importance of collaboration and partnerships, both domestically and internationally, in addressing the complex challenges facing our forests that cannot be understated. From reforestation, sustainable logging practices and community engagement to capacity building, the Reports provide a comprehensive overview of the Ministry's multifaceted approach in forest management.

The Committee acknowledges the staff of the Ministry of Forestry and stakeholders for their dedication and support during the site visit.

I take this opportunity to thank honourable Jone Usamate (Deputy Chairperson); honourable Isikeli Tuiwailevu; honourable Iliesa Vanawalu and honourable Joseph Nand, for the compilation of this bipartisan Report.

(Report handed to Secretary-General)

HON. T.N. TUNABUNA.- Mr. Speaker, Sir, pursuant to Standing Orders 121(5), I hereby move a motion without notice:

That a debate on the contents of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

Consolidated Review Report - Fiji Sugar Corporation Limited 2020-2023 Annual Reports

HON. S. TUBUNA.- The Standing Committee on Economic Affairs hereby submits to Parliament the Consolidated Review Report of the 2020, 2021, 2022 and 2023 Annual Reports. The Fiji Sugar Corporation Limited (FSC) was incorporated in Fiji by an Act of Parliament in 1972, to take over the milling activities with effect from 1st April, 1973. It is the successor to South Pacific Sugar Mill Limited and Colonial Sugar Refining Limited.

The Sugar Industry is crucial to Fiji's economy, contributing approximately 0.9 percent of the GDP, and generating about 5.7 percent of domestic exports in 2022, according to the provisional data from the Reserve Bank of Fiji.

Over the four years under review, the Committee noted a significant decline in cane production from 2020 to 2021, followed by a 16 percent increase from 2021 to 2022. Despite this improvement, cane production remains below the desired level of 2.5 million tonnes and continues to show a declining trend.

The Committee identified several factors contributing to the decline in sugar production. These include the:

- lack of interest by the farmers who perceive cane farming as unprofitable;

- inconsistent cane supply to the mill, resulting in underutilization of mill capacity;
- decline in cane quality;
- non-existence of KPIs; and
- non-renewal and absence of strategic plans to forecast the Corporation's future targets and outputs.

The Committee noted FSC's reliance on Government grants for its operation, given its debt levels and recurring losses. However, the Committee strongly suggest that the Corporation develops proper KPIs for all sugar related sectors to ensure the economic viability of the sector.

At this juncture, I would like to thank our Committee Members and Alternate Members who were part of the team that produced this Report:

- (1) Honourable Sashi Kiran - Deputy Chairperson;
- (2) Honourable Premila Kumar - Member;
- (3) Honourable Tomasi Tunabuna - Member;
- (4) Honourable Semi Koroilavesau - Member; and
- (5) Honourable Aliko Bia - Member.

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

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

HON. S. TUBUNA.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice:

That a debate on the content of the Report is initiated at a future sitting.

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

Question put

Motion agreed to.

Consolidated Review Report - Sugar Cane Growers Council 2019-2021 Annual Reports

HON. S. TUBUNA.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs hereby submits to Parliament the Consolidated Review Report of the Sugar Cane Growers Council 2019, 2020 and 2021 Annual Reports.

The Sugar Cane Growers Council (SCGC) is the only grower representative organisation that is committed to provide service delivery, representation and leadership, to ensure a long term viability of growers in the industry.

The Committee was made aware that in 2021, SCGC recorded 18 percent reduction in cane production, compared to 2020 season. The decline in production was mainly due to the destruction by *Tropical Cyclone Yasa* in December 2020, which affected farms to progress in subsequent harvesting season.

In 2021, SCGC introduced Fiji's Micro Insurance Product for our cane growers in assisting the growers to recover quickly following a disaster. Such initiative was deemed a game changer for

most vulnerable farmers.

Therefore, it is vital to identify important policy and practical measures to reform the sugar industry in Fiji to boost farmer's confidence and motivation as critical ingredients for increasing sugarcane crop cultivation, production, yield, and farmers to continue in sugarcane farming business.

At this juncture, I would like to thank our Committee Members, who were part of the team that produced this Report:

- (1) Honourable Sashi Kiran - Deputy Chairperson;
- (2) Honourable Premila Kumar - Member;
- (3) Honourable Tomasi Tunabuna - Member; and
- (4) Honourable Semi Koroilavesau - Member.

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

MR. SPEAKER.- Thank you. Please, hand the report to the Secretary-General.

HON. S. TUBUNA.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice:

That a debate on the content of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, I would like to acknowledge the presence in the public gallery of the children of Vuda District School and some of their teachers, not forgetting the former Member of Parliament, Ms. Tanya Waqanika, sitting in the gallery, I suppose Ms. Savu, who has just graduated from the Law School. If you do not mind, I will just speak in the vernacular to the children.

Vinaka vakalevu na gade mai nikua ragone. Na vanua o Vuda e vanua rogo, rogo ni vakaitavi vakalevu ena nomuni Vale ni Bose Lawa mai vei ira era sa vakacegu yani, era sa yali yani. E yaco sara na i tutu levu vaka-Peresitedi kei Viti, na Turaga na Tui Vuda.

E ka dokai vei keimami na nomuni yaco mai ena sigalevu 'qo, mo ni mai raica na nomuni Palimedi, ni rogoa na nomuni lewe ni Bose Lawa, ka nuitaki ni na tomani tiko na i sausau esa mai biuta tiko na Vanua Vakaturaga o Vuda se na i tikotiko Vakaturaga o Vunisei. Vinaka vakalevu ragone.

MR. SPEAKER.- Honourable Members, I now call on the Chairperson of the Standing Committee on Economic Affairs to table once more one of his Reports.

Consolidated Review Report – Sugar Industry Tribunal 2016-2020 Annual Reports

HON. S. TUBUNA.-Mr. Speaker, Sir, the Standing Committee on Economic Affairs hereby submits to Parliament the Consolidated Review Report of the Sugar Industry Tribunal's 2016, 2017,

2018, 2019 and 2020 Annual Reports.

The Sugar Industry Tribunal was established under the Sugar Industry Act (Cap 206) in 1984. The functions of the Tribunal and its Accountant and Industrial Commissioner are described in sections 21, 22 and 26 of the Act.

The Sugar Industry Tribunal serves several crucial purposes within the Fiji Sugar Industry. These include, dispute resolution, setting standards, efficiency promotion and conciliation.

Some of the pertinent findings emanating from the scrutiny of the Sugar Industry Tribunal's 2016-2020 Annual Reports are as follows:

- Failure to submit Annual Report on time.
- The Master Award is outdated and no longer fit for purpose.
- The absence of centralised database accessible to all institutions within the Sugar Sector is creating confusion. Currently, each institution is maintaining its own database. Establishing a single database would streamline data management, enhance collaboration and improve sector performance.
- Non-compliance with accounting standards has led to the issuance of qualified opinion by the Auditor-General, highlighting issues with financial reporting.
- The Sugar Industry Tribunal is a remnant of the colonial era, established before other institutions were in place. Appointment of the Tribunal can be carried out by the Ministry of Sugar so that the Tribunal can remain an effective body for arbitration.

At this juncture, I would like to thank our Committee Members who were part of the team that produced the Report:

- (1) Honourable Sashi Kiran - Deputy Chairperson;
- (2) Honourable Premila Kumar - Member;
- (3) Honourable Tomasi Tunabuna - Member; and
- (4) Honourable Semi Koroilavesau - Member.

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

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

HON. S. TUBUNA.— Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice:

That a debate on the content of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

Review Report – Sugar Research Institute of Fiji 2016-2021 Annual Reports

HON. S. TUBUNA.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs is pleased to submit to Parliament the Consolidated Review Report of the Sugar Research Institute of

Fiji 2016, 2017, 2018, 2019, 2020 and 2021 Annual Reports.

The Sugar Research Institute of Fiji (SRIF) was established in 2006 as the premier provider of research, development and extension services in the sugar industry. Mr. Speaker, Sir, SRIF has the national mandate for the development and dissemination of technology and information needed for increased productivity, profitability and sustainability of the sugar industry in Fiji.

During the scrutiny of the Annual Reports, extensive communication was made with the Officials from SRIF through public hearing and site visit. This Review Report highlights some of the pertinent findings emanating from the scrutiny of the Sugar Research Institute of Fiji 2016-2021 Annual Reports, as follows:

- absence of KPIs and Strategic Plan;
- unapproved sugarcane species which are widely used by farmers;
- SRIF has not been fully engaged with the farmers in crop diversification;
- aged cane varieties and ratoons that are less productive and susceptible to diseases; and
- overlapping of roles carried out by SRIF and FSC regarding the extension services.

At this juncture, I would like to thank our Committee Members and Alternate Member who were part of the team that produced this Report:

- | | |
|----------------------------------|-----------------------|
| (1) Honourable Sashi Kiran | - Deputy Chairperson; |
| (2) Honourable Premila Kumar | - Member; |
| (3) Honourable Tomasi Tunabuna | - Member; |
| (4) Honourable Semi Koroilavesau | - Member; and |
| (5) Honourable Alikia Bia | - Alternate Member. |

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

(Report handed to the Secretary-General)

HON. S. TUBUNA.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice:

That a debate on the content of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

ADJOURNMENT

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

That Parliament adjourns until Monday, 5th August, 2024, at 9.30 a.m.

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

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, I thank you so sincerely for the way we handled ourselves during this weeklong debate, even though it became very rowdy towards the end of this sitting and it was always a punch up, I can understand, between the honourable Minister for Multi-Ethnic Affairs and Sugar Industry, and honourable Bala. But as honourable Bala always stated, we need to allow this to happen, but not to that stage where, I must apologise, since I used the word 'bloody' when I tried to intervene and caution you.

(Honourable Member interjects)

MR. SPEAKER.- No, no, I will not dwell into that. But, again, thank you so much for all the contribution, all the hard work during our participation and even in the passing of the 2024-2025 National Budget.

I also wish to congratulate the Deputy Prime Minister and Minister for Finance, Strategic Planning, National Development and Statistics and his Team at the Ministry of Finance, and this is the first time I have heard the accolades being given, even to the Permanent Secretary. That never used to be the case.

HON. P.D. KUMAR.- Mr. Speaker, Sir, it used to happen.

MR. SPEAKER.- Oh, honourable Premila Kumar is saying that it used to happen, maybe in the few years that I was out of Parliament.

(Laughter)

But, again, I am thankful for that - we acknowledging the hard work being undertaken by our senior civil servants and in particular, the Permanent Secretary for Finance.

Honourable members, lunch and morning tea is now prepared at the Big Committee Room.

Parliament is now adjourned until Monday, 5th August, 2024, at 9.30 a.m.

The Parliament adjourned at 1.17 p.m.