



REPUBLIC OF FIJI 2010 BUDGET ADDRESS

'Strengthening the Foundations of Economic Growth and Prosperity'

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Prime Minister and Minister for Finance and National Planning

Cabinet Ministers;

Your Excellencies;

Members of the Diplomatic Corp;

Distinguished Ladies and Gentlemen, and

My Fellow Fijians.

Ni sa Bula Vinaka and a good morning to you all.

A number of significant events nationally and internationally have taken place since the delivery of the last National Budget, which was almost a little over a year ago.

Following the abrogation of the 1997 Constitution by His Excellency the former President Ratu Josefa Iloiloivatu Uluivuda, he appointed my Government for a term of 5 years.

He mandated that the Government under my Prime Ministership implement a reformist and modernizing agenda. He also mandated that based on common and equal citizenry elections for parliamentary Government under a just and fair electoral system be held by September 2014.

Ladies and Gentlemen, the reformist and modernizing agenda on all fronts and sectors of our nation is essential to strengthen the foundations of economic growth and prosperity for Fiji and all Fijians, based on common and equal citizenry.

As I stated in my 1st July Strategic Framework, the primary focus of my Government shall be on the economy for the next 3 years. I have also, however, as you know commenced the process to hold a Dialogue Forum from February next year consisting of people who are positive, interested and forward looking in realizing the true potential of our beloved nation.

The Dialogue process will not, however, deter the Government's focus on the economy. It will not distract us from the imperative that we strengthen the foundations of all aspects of our nation including the economy, correct the ills of the past and be resolute in taking tough decisions, all to ensure that Fiji is positioned well for future generations.

Ladies and Gentlemen, this year saw some unparalleled developments in terms of the global financial and economic crisis. What started as a financial crisis last year mutated into an unprecedented economic crisis this year. Almost all the countries' economies either contracted or slowed down considerably.

However, the latest economic indicators show that the worst global economic crisis may be over and we will see modest but an uncertain economic recovery from next year. Similar outlook is projected for Fiji's major trading partners.

Ladies and Gentlemen, the global crisis and the unprecedented floods in January had a major impact on Fiji's economy this year. Tourism was negatively affected in the first 6 months of the year. Remittances, which formed a major source of our foreign exchange earnings, also fell significantly. A number of our exports fell as a result of fall in global demand.

All these factors resulted in our economy contracting by 2.5 per cent this year. The above developments also put great pressure on our balance of payments that previously had not been monitored effectively. This led to our foreign reserves declining rapidly since last year and more so in the first quarter of this year. This led to the decision to devalue the Fijian dollar by 20 per cent in April.

I am pleased to say that by devaluing our currency, we successfully restored our foreign reserves which have now reached over \$1.085 billion, equivalent to around 4 months of imports. Liquidity in the banking system also increased to around \$380 million in November, from as low as \$12 million in March.

While an unfortunate outcome of the devaluation, of course, is the short term rapid rise in inflation, which is anticipated to increase to around 7 per cent by year-end, it will however subside to around 2 per cent by the end of next year.

The decline in economic activity this year led to a fall in Government revenue. However, with prudent fiscal management, we managed to keep the budget deficit for the year below the budgeted target of 3 per cent of GDP.

Ladies and Gentlemen, the GDP growth for 2010 is looking more positive at close to 2 per cent on the back of global recovery. We expect growth to be driven by a pickup in tourism, the impetus provided by the devaluation which has improved Fiji's competitiveness significantly and increased private sector investment and participation which is to be incentivized by Government's policies.

Future growth is expected to be higher than 2 per cent given Government's plans to introduce wide ranging reforms covering land tenure, the civil service, public enterprises and Government related entities. I shall elaborate on these reforms later in my address.

As most of you are aware the International Monetary Fund (IMF) has concluded an Article IV consultation on Fiji's economy, which lasted from 10th to 24th November. This was the largest Mission ever to visit Fiji and included representatives from the World Bank and the Asian Development Bank. Apart from their usual consultations on the economy, the Mission also had discussion with Government on its medium term Economic Reform Programme (ERP).

The Mission commended the authorities for the manner in which fiscal and monetary policy was conducted to counteract the severe effects of the global financial crisis and the massive destruction to infrastructure after the January 2009 floods. In particular, they noted that despite a 7 per cent reduction in revenue, Government maintained its deficit within the targeted level. They also commended the timely action to protect foreign reserves through devaluation. They noted in particular the effective coordination of fiscal and monetary policy in this regard.

However, the mission also noted that there are various risks still facing Fiji which can be addressed through reforms to fiscal and monetary management. The IMF identification of these risks areas and more appropriately the reforms required to mitigate these risks corresponds with the reformist agenda of my Government. Indeed some of their recommendations to reform are already underway.

The IMF team emphasized the need to reform and change the rules around land availability for productive use, civil service, public enterprises and statutory entities and the liberalization of the

economy. They also emphasized as the Government believes that there must be targeted assistance to the poor and those on the lower end of the economic scale.

The IMF shall conclude its detailed report in a few months time. We shall then discuss with IMF and other multilateral agencies the various assistance including expertise and technical assistance that they can provide to position Fiji as a modern and robust economy.

Recently, Cabinet approved a ten point economic plan. The plan sets out specific targets to be achieved by 2020. They are:

1. GDP to be increased two-fold;
2. Balance of Payments current account deficit to be eliminated;
3. Poverty to be reduced from current levels to less than 5per cent of population;
4. Visitor arrivals to increase to 6 million;
5. Financial sector to be liberalized with a view of eliminating exchange controls;
6. Fiji to grow its Communication Services sector business by 100per cent;
7. Fiji to achieve self sufficiency in rice, meat and liquid milk;
8. Fiji to convert up to 90per cent of all electricity generation from fossil to renewable sources;
9. Fiji to convert up to 80per cent of all arable land area into productive use; and

10. Fiji to reduce unemployment rate to less than 3per cent.

While these targets may appear to be ambitious, they are achievable. They would be achievable as long as the correct fiscal and monetary policies are implemented and adhered to. It requires discipline, vision, legal changes, modernizing and the participation of and collaboration between Government, employees, employers, the financial sector and civil society.

Budget Framework

The 2010 Budget framework estimates a total revenue of \$1.486 billion and a total estimated expenditure of \$1.706 billion. The estimated net deficit is \$220 million or a net deficit of 3.5per cent of the nominal GDP at \$6.288 billion.

In the 2010 Budget Government has opted again for a prudent fiscal position and is continuing to build on the good results achieved in the 2009 year. Total operating revenues have been conservatively forecasted to reflect softness in global markets. Total estimated expenditure is below the forecasted year end position for 2009. The total projected deficit for 2009 is 2.5 per cent of GDP as opposed to the initial budgeted deficit of 3 per cent. The savings from operating expenses in 2009 will be redirected to capital programs in 2010.

To reduce Government operating expenditure, to maintain fiscal discipline and concomitantly provide economic stimulus we will need to leap frog into carrying out a number of reforms.

Reforms

Government has put together a task force that has already commenced the facilitation of the utilization of idle land for productive use. Negotiations with key stakeholders have commenced. We plan to have the first lots of land available on new and attractive terms and conditions for both lessors and leasees by the end of the first quarter of 2010. The Budget has allocated \$15 million for the commencement of this reform agenda. It should be noted that the multi-lateral agencies also believe that land tenure reform is critical to achieving and strengthening the foundations of economic growth and prosperity.

The 55 year retirement will continue in 2010. Mergers of departments with common functions will be undertaken in 2010. This has already commenced with the merger of PIB and Department of Fair Trading with the Commerce Commission. The incorporation of the CMDA into the RBF operations is another such example.

Improvement and upgrades to the existing Government payroll system will commence in the New Year. A full review of the civil service human resource requirements and allocations across all departments and ministries will be conducted in 2010.

The vehicle leasing program to replace Governments aged fleet has been successfully implemented and shall continue.

Capital and maintenance works normally carried out by Public Works Department shall be increasingly outsourced in 2010.

Government quarters management shall be carried out on a commercial basis and thereby rental of such accommodation shall be market driven. Access to this accommodation will no longer be restricted to only civil servants.

A number of agencies are targeted for reform and review in 2010. The key institutions are Fiji National Provident Fund, Fiji Electricity Authority, Fiji Sugar Corporation and Government Printing. Government is very clear on introducing greater private sector participation to bring about efficiency and bring about sustained fiscal discipline.

Indeed, if we as a nation are to be serious about our national savings then as noted by the World Bank assessment team and the recent actuary valuation by Mercer, FNPF must embark on major review for reforms to place the Fund in a position of sustainability. FNPF will be assisted by the Singapore Economic Cooperation in this exercise.

Poverty Alleviation, Targetted Assistance and Improving Livelihoods

There has been much money directed to poverty alleviation programs in previous years. These monies unfortunately, have not necessarily been targeted to the right people nor for that matter have they been spent prudently. Consequently the expansion of these funds has not resulted in

actually getting the needy out of the poverty cycle. Indeed decisions were made without a reliable and comprehensive database and without an assessment of the effectiveness and sustainability of relevant policies.

In 2010 Government will allocate more personnel to the poverty alleviation unit to not only have in place an effective processing and distribution team but to collate reliable data to implement targeted assistance.

Ladies and Gentlemen, Government from 2010, shall give food vouchers to the value of \$30 a month to those on the current family assistance program. This will translate into an annual allocation of \$7.44 million.

This targetted assistance will mean that the identified individuals and families will be able to access essential and healthy food items on a monthly basis. It will mean that the private sector will be able to participate in this initiative. It also signals that Government will henceforth move to targeted assistance.

Ladies and Gentleman, Government shall continue the bus and other modes of transport fare subsidies for school children but through an incomes test mechanism. The actual mechanics shall be finalized within the next few weeks. The subsidy we believe is essential to ensure that children from low income families have affordable access to education.

Increased assistance will also be given to the disabled and other marginalized groups. A specific allocation has been made for the construction of disabled facilities in Labasa.

The aggregate budget for poverty alleviation programs in 2010 has increased in excess of \$9 million in comparison to 2009.

Rural outer island development programs have also been increased by approximately \$13 million with the allocation of \$6million for the purchase of 3 vessels to improve shipping services to the outer islands. Other revenue incentives for the purchase of marine vessels have also been provided which I shall elaborate on later. Increased allocation has been made to watershed management, upgrading of rural airports and rural water supply.

Funding for HART, squatter upgrading and resettlement program and Housing Authority and the Public Rental Board shall continue. In addition to the budgetary provisions Government has facilitated further funding for Housing Authority projects in Tacirua East and Nepani through a \$50 million Chinese Government loan.

Ladies and Gentlemen, Government shall for the first time in collaboration with the private sector and commercial banks put in place a housing assistance grant worth \$10 million for the

construction of individual new homes. This housing assistance grant shall be available to those families or individuals who want to construct their first house and who meet the commercial bank loan serviceability requirements, can substantially contribute towards the 20 per cent deposit requirement but do not have enough funds to meet the total deposit requirements. Each successful applicant will be given a maximum of \$10,000. This would mean that 1,000 families can benefit from this scheme. Based on an average cost of \$100,000 for a basic house, this grant scheme has the potential to generate \$100 million into the economy.

As has been recently announced, Government believes that price controls creates distortions in the market. It is an archaic, uneconomic, anti-investment and anti-business manner of providing assistance to the poor and the needy and/or to cushion those on the low income bracket from inflation. In removing the price controls over the next year Government will provide targeted assistance to the poor. No doubt as seen from other jurisdictions the removal of price controls leads to competitive pricing and better services.

However, let me make it abundantly clear, in removing price control, Government will not tolerate any carteling, collusion or anti-competitive behavior. The recent Cabinet approval to merge PIB and certain sections of the Department of Fair Trading will not only result in efficiency but it will ensure that controls over anti-competitive behavior shall be curtailed through one agency armed with modern day laws. Liberalization of the economy must benefit all levels of society.

In creating an economic environment conducive for growth and prosperity for all, Government shall not tolerate abuse and fraud by individuals or businesses.

Existing penalty rates, which in some instances are scurrilous, shall be increased and new ones introduced where necessary. This will mean for example that companies making false customs declarations will not only pay higher penalties but company directors shall be personally liable for both civil and criminal prosecution. After all, if we are giving businesses various incentives through, for example, reduced corporate tax rates, then these companies and their directors must be scrupulously compliant. Similarly, if a citizen applies for assistance, he or she must expect to face the full brunt of the law if he or she makes a false declaration to get that assistance.

Government will not tolerate dishonesty or corruption. In respect of corruption, Government has increased resource allocation to FICAC to allow it to vigorously pursue the many outstanding matters through increased and specialized personnel. FICAC shall also expand its community awareness program regarding the ills of corruption.

In the same vein, the RBF will in 2010 set up an Exports Proceeds Monitoring Unit ('EPMU') which will have the responsibility to ensure that all export proceeds are remitted to Fiji subject to the Exchange Control Act. The EPMU shall also carry out investigations into any transfer pricing working closely with FIRCA and the Financial Intelligence Unit.

As part of Government's policy to increase transparency and accountability, the office under this very name shall become operational from early next year. The Office of Accountability and

Transparency ('OAT') shall administer the soon to be introduced Code of Conduct and Freedom of Information Decrees and any other appropriate new laws.

We have and will continue to modernize our laws which inter alia make us compliant with international conventions and standards. The implementation of these laws will require specific resource which has been catered for in the 2010 Budget including increased allocation to the judiciary.

Government Services

Fees for various specialized Government services shall be increased to bring them in line with international standards and at the very least cover Government costs and to facilitate computerization of records. Essential services shall not be affected.

The essential service of public health shall get a boost by way of budgeting for the recruitment of additional doctors and nurses. There shall be increased allocation for the purchase of medical equipment in particular to provide access to modern technology and to equip nursing stations. Buildings housing medical facilities shall be upgraded.

Additional funding has been provided for the setting up of the Fiji National University. Government has taken this step as it believes that it will in the long run not only create administrative and

financial efficiencies but give our youth quality education, create better employment opportunities and position Fiji as a knowledge based nation.

In the 2009 Budget, around 20 per cent of total expenditure was committed to infrastructure development and other productive investments. However, our quarterly utilisation rates averaged around 50 per cent. Clearly, our implementation processes require further scrutiny. Indeed some of the projects that were to commence this year have been delayed precisely due to these capacity constraints. In this context, Government has and will address these incapacities, through inter alia out sourcing.

Our total capital budget for 2010 is set at \$325 million.

We will invest in water and waste water systems across the country. The Water Authority of Fiji is now operational and it shall as one of its first functions oversee the \$53million emergency works on reservoirs and water treatment plant upgrades.

Major road construction, rehabilitation and maintenance are underway for 2010. The newly created Central Coordinating Agency for Roads based in the Ministry of Finance shall be responsible for the implementation of all maintenance and upgrading works currently undertaken by the Department of National Roads, including municipal council roads. The rehabilitation of the existing highway between Suva and Rakiraki shall commence by February next year. This project of \$80

million is funded by an external source and is in addition to the total capital expenditure allotted in the 2010 Budget.

Allocations have been made to upgrade Rotuma and Matuku airports and Malau seaport.

The 2010 Budget provides for the continuation of building and upgrading rural roads, bridges, air and sea ports and outer island jetties to create accessibility and connectivity.

It should be remembered that providing new infrastructure leads to increased agricultural activity. Agriculture remains high on Government's agenda and the incentives provided this year should continue in 2010.

A Decree in respect of liberalizing the Mahogany Sector has already been drafted which shall be implemented in the new year. It shall bring about very positive economic spin-offs and multiple effects.

Ladies and Gentleman, tourism is one of our most resilient and robust revenue and foreign earner. Government shall continue the increased budget allocation of 2009 into 2010. Apart from the \$23.5 million allocation, *Tourism Fiji* shall also receive an additional \$500,000 towards its operating grant to allow it to expand its operations. This is necessary given the opportunity to open markets with

Air Pacific expanding its network to Hong Kong and beyond and Government's liberal approach to open the skies.

The 2010 Budget shall also through the revenue measures, which I shall announce later, seek to position Fiji as a premier destination. As part of my Government's policy to extract maximum benefits from the Tourism sector, we shall in 2010 designate zones which will have special trading and entertainment hours with affordable accommodation.

In addition to the special zones as a matter of national policy, Government shall from January 2010 extend shop opening hours and liquor trading hours in designated areas in major commercial centers.

Such initiatives are modernizing and recognize the contemporary circumstances and wants of the people of Fiji and those visiting our shores. We shall continue to bring changes, such as the introduction of day light savings, as long as it brings overall and sustained benefit to Fiji and her people.

While many may believe that environment and climate change are inappropriate topics to discuss in a budget address, they are, however, while not necessarily obvious in the first instance, very important considerations for our future and indeed our economic well being. It also measures our ability to adapt to a rapidly changing world.

Ladies and Gentlemen, if we do not manage our environment and take appropriate measures to keep the pristine environment exactly that, then it will have an impact on tourism, it will have diminish our ability to use our natural resources, it will have an impact on our livelihoods. It is precisely for this reason that Government on its part shall continue with the various revenue measures in respect of renewable energy, energy saving and bio-diesel fuel production incentives and introduce deterrence to use non-biodegradable material. It is envisaged that within the next 12 to 18 months, further measures shall be introduced to ensure that we maintain our pristine environment and help mitigate the effects of climate change.

Revenue Measures

Ladies and Gentlemen I now turn to the key 2010 revenue measures.

Our revenue measures are targeted to continue and strengthen policies that:

1. Promote exports and import substitution;
2. Further develop the ICT and audio-visual sector; and,
3. Incentivize investment in the renewable energy and bio-fuel sectors.

There will be continuation of the strengthening of revenue collection through improved compliance measures; the creation of new investment opportunities; and the stimulation of economic activity to achieve growth. These measures continue to be the guiding principles of Government's revenue

measures in 2010. FIRCA will be resourced with appropriate expertise and new laws to improve and ensure tax and customs compliance.

Correction of Resident Individuals Income Tax Rates

The Resident Individuals Income Tax rates will be amended to address the anomaly in the existing tax rates. This will provide relief to those affected by the anomaly and ensure that we adopt best tax practices. The remedying of the anomaly will overall result in lower taxes being paid by approximately 9,200 tax paying individuals.

It is expected that this will increase consumption and in turn stimulate the economy.

Reduction in corporate tax

As announced last year, the corporate tax rate will be reduced from 29 per cent to 28 per cent in 2010. Given that the tax rate was 31 per cent in 2008, this is a reduction of 3 per cent within 2 years.

Furthermore, as an incentive to develop our capital markets, companies that are listed or which will be listed on the South Pacific Stock Exchange and which have a minimum of 40 per cent local equity holding shall now be subject to a reduced corporate tax rate of 20 per cent.

Tax Free Region Incentives

Government is committed to the continued development and the creation of an environment that is conducive to investment in the economically depressed Northern and Maritime island region. In this regard, apart from the incentives announced last year, the qualifying investment levels for the Tax Free Region will be reduced from \$500,000 to \$250,000 to allow more investors to qualify for these incentives.

This reduction in the investment threshold level will be available for 5 years until the end of 2014.

Branch Profit Remittance Tax

My Government will continue to support foreign investment by reducing barriers to investments. Accordingly, Government will repeal the Branch Profit Remittance Tax for the repatriation of profits derived in 2010 and beyond. Accordingly, the 150 per cent tax deduction on capital expenditure for reinvestment of profits in Fiji by a non-resident company will also be removed.

Audio Visual Incentives

Apart from the competitive tax rebate provided last year to attract foreign film makers, a further incentive shall be provided by the reduction in the qualifying expenditure levels for F1 audio-visual production as follows:

- from 55 per cent to 40 per cent of total production budget for large format, feature film or broadcast television programmes;

- from 75 per cent to 50 per cent of total production budget for direct to video programme or video disk programme; and,
- from 80 per cent to 55 per cent of total production budget for an audio recording or computer software.

Broadband Incentive

In addition to the incentives provided to the ICT sector through the 2009 Budget and as part of developing a national broadband policy, duty rate on dongles will be reduced to 0 per cent. This incentive will bring about accessibility and capability in particular in the development, accessibility and affordability of broadband in Fiji.

Indirect Tax Measures

Tourist VAT Refund Scheme

I am pleased to announce the introduction of a Tourist VAT Refund Scheme (TVRS) with effect from 1 February 2010. This scheme will allow foreign passport holding departing tourists to claim a refund of the 12.5 per cent VAT paid on purchases of goods in excess of \$500. The scheme will be initially available for tourists departing Nadi Airport and those departing by cruise vessels from Suva.

For businesses to be eligible to operate as VAT refund outlets, they will need to register with FIRCA for an annual fee.

The Tourist VAT Refund Scheme together with the 0 rated duty on various items is to position Fiji as a shopping hub. It is also to encourage local producers to target their goods and skills to the tourism sector for example tailoring of suits for foreigners.

Increase VAT Registration Threshold

In order to simplify the VAT registration process, the VAT registration thresholds will be increased to \$50,000 for the supply of goods and services. Additionally, the voluntary registration provision for those below the threshold will be removed. This measure will bring about consistency and certainty in dealing with taxpayers registered for VAT and allows FIRCA to focus its resources on large taxpayers that are generating 80 per cent of total tax revenue.

Super Yachts

Given the 2009 policy initiative to develop a super yacht market, the Super Yacht Short Term Charter Permit Decree shall be implemented by 1 February 2010. It shall include the issuing of a charter permit for a charter fee of 12.5 half per cent of the gross charter amount, payable to the Government of Fiji.

Marine Vessel Incentives

We in Fiji have not taken advantage of the potential that exists given the vast sea area. The hitherto prohibitive tax regime has discouraged many to purchase, own and use private marine vessels for

leisure. Similarly, the vast sea space also requires private sector participation in providing inter island marine vessel services.

To provide the impetus to this untapped potential, fiscal duty on all marine vessels including yachts will be reduced from 32 per cent to 5 per cent.

In addition, payment of the chargeable duty on any marine vessel valued at \$2 million and above can be made on an installment basis over a maximum period of 9 months. The installment system of payment of duty shall be available from 1 January 2010.

Tariff Changes

To further position Fiji as a tourist shopping destination, import duty on a number of goods will be reduced to zero per cent. These items shall include: perfumes, cosmetics, after-shave preparations, cameras & camcorders, sunglasses, binoculars, video & electronic games, watches, laptops, iPods, MP3 & MP4 players, and, jewellery.

Government expects wholesalers and retailers to offer competitive pricing. As stated earlier, these initiatives place an equal responsibility on businesses to ensure the successful implementation of these bold and forward looking policies. Let me reiterate, Government shall not shirk away from

imposing sanctions on those businesses that will stifle national initiatives and/or engage in anti-competitive behavior.

Further changes to the tariff are as follows:

- ◆ increase fiscal duty on corrugated paper and paper boards from 5 to 32 per cent;
- ◆ decrease fiscal duty on magnetic and optical media from 32 to 5 per cent;
- ◆ imposition of import excise duty of 10 per cent on optical media;
- ◆ imposition of import excise duty of 15 per cent non-biodegradable plastic bags; and,
- ◆ imposition of excise duty of 5 cents per liter on carbonated soft drinks.

Concession on Basic Food Items

In June 2008, Government reduced the fiscal duty on a number of basic food items such as rice, edible oil and tin fish to zero per cent. These were part of the package to provide low income earners relief from the impact of inflationary pressures arising due to the hike in global food prices. Government will maintain the zero per cent fiscal duty concession on these items in 2010. Again in this respect, we shall ensure that the 0 rating will result in corresponding price decrease.

The zero rating of VAT on locally produced eggs will be removed.

Export Tax

Recognizing the huge export potential of our fishing and forestry industry, the 3 per cent export duty on unprocessed fish and timber will be removed. Furthermore, the zero per cent fiscal duty on

specialized fishing vessels and specialized fishing gear & equipment shall continue. The 2 cents per liter concession on fuel will be maintained in 2010.

Pearl Farming

Recognizing the potential of the pearl farming industry for the export market, value adding and the positive impact on rural livelihoods, fiscal duty shall be reduced to 3 per cent from 32 per cent on raw materials used for farming of pearls.

OTHER

Tax Administration Decree

The Tax Administration Decree will be effective from 1 January 2010. The new law will simplify and harmonize the administrative provisions of the following Acts and Decrees:

1. Income Tax Act;
2. Value Added Tax Decree;
3. Hotel Turnover Tax Act;
4. Gambling Turnover Tax Decree; and
5. Land Sales Act.

The introduction of this Decree is timely and will provide a new direction for tax administration in Fiji. Further it will foster efficiency in FIRCA, since there would be a consistent approach in

administering various taxes. Additionally, taxpayers will be given the ability to seek recourse through a Tax Tribunal.

Taxpayer Portal

In order to provide improved and cost effective services to the taxpayers, the taxpayer portal program will be implemented early next month. The portal will enable tax agents to access their clients' tax details through a secure online environment. E-payments and e-lodgments are expected to be implemented in the next 6 to 14 months respectively.

Ladies and Gentlemen, a complete list of the tax policies are provided in the 2010 Budget Supplement.

Your Excellencies, Ladies and Gentlemen, before I conclude, I wish to acknowledge my Government's appreciation of those development partners who have extended their assistance and understanding to Fiji. I wish to reiterate what I said last year, Fiji seeks your support in national development, promoting good and transparent governance, laying the foundations for a return to parliamentary system of Government in 2014. We appreciate your assistance in developing basic infrastructure in particular in the areas of medical and educational facilities and capacity building. We have been, are and shall be committed to constructive dialogue and engagement as partners.

Conclusion

Your Excellencies, Ladies, Gentlemen, business houses, entrepreneurs, civil society groups, employer and employee groups and all my fellow Fijians, the next three to five years offers all of us a once- in-a-lifetime opportunity.

It is an opportunity to work together and with each other to strengthen the foundations of economic growth and prosperity. This opportunity exists because my Government does not simply want to announce policies that become wish lists, rather it will ensure practical implementation. No nation, no country, is ever successful unless and until all its people are focussed on working positively together on strengthening its foundations.

I thank you for your attention and I look forward to your continuing support. I commend the 2010 Budget to our nation of Fiji and do so with the support of Cabinet.
