

Hon Attorney-General and Minister for Economy's 2022-2023 National Budget Address

Mr Speaker Sir, good evening to you and everybody else listening in and of course members of Parliament itself.

Leaders from across the Pacific came to Fiji this past week, and we were proud and honoured to host them in our capital. We didn't need to say it, but our message to the world was clear: Fiji, the hub of the Pacific, is open, and we are laser-focussed on a resilient recovery and future.

This is the fourth national budget that we have announced since the beginning of the pandemic. This budget is different from the three before it because the worst economic crisis in our history is over, and our recovery is here.

We promised you in the darkest days of the crisis that our economy would not just recover, but would emerge from the pandemic with pace and resilience. Through government's foresight and decisive leadership and with the tremendous support and participation of the Fijian people, we delivered on that promise. This budget is possible because of what we did together.

The blueprint for our next financial year is as prudent, responsible, and visionary as any we have announced.

It rests on the pillars of infrastructure, education, and health, and is built on the values that our Prime Minister has made his moral and political mission – family, security, justice, true democracy, and equal opportunity.

This budget creates the certainty that our businesses need to plan, invest and hire.

And as prices for food, fuel, freight, and fertiliser remain extremely unpredictable, this budget provides relief for the families who need it most. It is wholly the strength and speed of our economic recovery that makes all of this possible.

A STABLE, CONSISTENT, INCLUSIVE RECOVERY

Mr Speaker Sir, of the many ways to assess an economy, the most important for working people are growth, jobs, and wages. That is as true for Fijians as it is for the citizens of the largest economies on earth, and through the first half of 2022, Fiji is growing its economy, adding more jobs, and raising wages faster than we have ever done.

The economy is conservatively projected to grow by 12.4% this year — its highest rate of growth ever. Some estimates put our growth projections much higher.

Employment numbers as at May 2022 indicate a total of more than 171,000 employed in the formal sector.

That means that 92 percent of employees are back to work in the formal sector compared to pre-covid. The demand for labour rose steadily to May, increasing by an astonishing 168.3% on the year. Increased vacancies were advertised across most sectors, and the tourism sector led the surge, which is wonderful news. We expect the June numbers to be even better.

Since January, we've welcomed 205,529 tourists as of June 2022, almost 50 percent of the total for the same period in 2019. Visitor arrivals for June 2022 stood at 62,130. This is almost 73 percent of June 2019. June visitor arrivals are the highest we have seen since

COVID. Australian arrivals in June 2022 stood at almost 97 percent of June 2019. New Zealand arrivals in the month of June 2022 were 66 percent of 2019, and US arrivals stood at 78 percent. July is looking very strong as well. We expect to easily exceed our target of 500,000 tourist arrivals in 2022, which is 55% of pre-pandemic arrivals, and that should mean more than \$1.3 billion in total tourism earnings. The boom is back, Mr Speaker. And it is what we call a Bula Boom.

Cumulative Revenues collection as at 30 June 2022 amounted to \$1.96 billion, of which \$1.5 billion was tax revenues. June tax collections exceeded the forecast by \$11.6 million as the tourism recovery bounced back strongly.

And most importantly, the wages paid to our people are up by 210 million dollars — 15% higher compared to this same six-month period last year. 210 million dollars in the pockets of our taxi drivers, tourism employees, airport staff, factory workers, farmers, and families. Mr Speaker Sir — every dollar of this is owed to our economy's once-in-a-century comeback from a once-in-a-century crisis.

No society stumbles its way to record-breaking growth or to these levels of wage increases and job numbers. We consistently told the people of Fiji exactly what it would take: nothing less than decisiveness and nothing short of solidarity. Your government led with decisiveness where it mattered most. You, the people, supplied that solidarity and made our policies practically possible.

I don't believe that anyone watching or listening needs a lecture on what was required of them personally to get us here. The teams we led within government worked far too hard for me to stand here and pretend any of it was easy. I've spoken with far too many families

in far too many communities to believe for one second that it was painless. But if there had been a faster or surer route to recovery, our Prime Minister would have taken it without hesitation. The road we paved was the most direct possible out of the pandemic. We are proud of where it led — and, Mr. Speaker Sir, we are not the least bit surprised by it. We thank our people for their patience, for their cooperation, and for their faith in the promises that we made. Because while our recovery was possible through the government's plan, its success depended on our people — on each of you watching tonight. It depended on you getting both jabs of the vaccine, plus boosters. It depended on you staying home when that was necessary. It depended on your returning to work when that was possible. And its continued success depends on all of us keeping the country on the course that we have set.

In March of 2020, we clamped down hard on the first outbreak and bought ourselves a full year without the virus. We then not only secured enough vaccines for our people ahead of most countries—and at no cost, I might add—we deployed them at the speed of science, and we mandated the full vaccination of job-holders and recipients of unemployment assistance. We kept paying social welfare, and paid out half a billion dollars in unemployment assistance and indirect social support — more support than any government has ever paid at any time. And we kept the bones of our economy strong enough to support a recovery — so that when the borders opened, our people's jobs were ready and waiting.

Tonight, I will explain exactly how our actions achieved a recovery and how we will capitalise on the opportunity it brings— because we believe we can do even better.

That's the good news — the bad news is that even though wages are rising, so are prices due to challenges Fiji didn't cause and cannot control.

Thanks to our recovery, right off the bat, this budget builds more buffers to the price-increase crisis. And long-term, it commits us to the path that our Hon. Prime Minister has promised will yield a stronger Fiji.

First I will announce our expenditures and provide a comprehensive update on our fiscal strategy coming out of the pandemic. Then, because it is indeed our most urgent priority, we'll review a package of imported inflation mitigation measures to defend our people from the record-high prices of food. We will detail new investments in infrastructure, such as roads, water, and telecommunications. We'll lay out a serious step-up in tertiary education support, highlight some important and innovative strategies to expand the reach and quality of healthcare, and talk through some exciting new support to our farmers. And we'll end with a broad overview of important highlights from other ministries and sectors, a suite of policies that will make business and investment easier than ever in Fiji, and an announcement of a low and sustained corporate tax regime.

The policies and allocations in this budget are based on every conversation and consultation we've held within government, with businesses, with communities, and with families, this year and in years prior. Mr Speaker, for the first time in history, our Ministry of Economy travelled to what may be called the deep rural areas of Vanua Levu — to Loa Village and Tawake Village in the tikina of Tawake. They showed us wonderful hospitality and more

importantly made productive contributions. They are able to watch this announcement right now, thanks to Walesi.

I won't have the time to share each of the stories of those who joined our consultations, but know that all of you who participated in this process are the beating heart of this budget.

In some ways, this is two budgets in one. Its immediate inflation mitigation package will be reviewed in December or early next year in consideration of the volatility of the global shocks it seeks to address. But the bulk of this budget is made up of long-term policies that enable a sustained, certain, consistent, and wide-reaching recovery built over a multi-year period. At the end of that timeline is a resilient Fiji, a greener and bluer Fiji, and a Fiji that creates better jobs, pays higher wages, and gives every Fijian even greater confidence in the future.

Because, Mr Speaker Sir, we can't base our entire plan around a fear of future shocks and crises — we have to see far beyond our own noses. We have to harness confidence; we have to plan for opportunity, the sort of opportunity that inspires our young people and dynamic workforce so that we can keep Fijian talent here in Fiji, and that creates solutions that we might have thought impossible, even a generation ago. This budget does that.

RESPONSIBLE BORROWING

Mr Speaker Sir, during the pandemic, Government literally became the economy — or at least, the majority of it — through stimulus packages that supported businesses and created activity everywhere we could. We made the strategic decision to borrow \$2 billion from credible financial institutions at extremely concessionary terms. That means rock-bottom interest rates. Most

of these loans have major grant components. In effect, Mr Speaker Sir, that means we do not have to pay back more than half of the amount we borrowed. Of course, we took it, Mr. Speaker. Any government that turns down grant funding that has no strings attached and no hidden costs and that will benefit its people should be sacked by those same people the very same day.

That is common sense. And we have always brought that same common sense, responsible, and disciplined philosophy to our borrowing strategy.

At the end of 2006, Fiji's debt-to-GDP ratio was 53.5%. It rose to 56.2% by 2010. Then it entered a steady, downward trajectory, falling to 43.5% in 2016-2017 — a decline of almost 13 percentage points in six years. Why did the debt to GDP ratio decline? The math is very simple, Mr Speaker Sir. Our nominal GDP rose much faster than our debt levels; rising from \$5.3 billion to \$11.8 billion during the same period. Notwithstanding Cyclone Winston and 13 other cyclones.

Amidst all of this came Cyclone Winston and the 13 cyclones that followed. The devastation we suffered required higher levels of borrowing to build back better. We had to pay now to build resilience in order to avoid much higher costs down the track. The debt-to-GDP ratio rose to 48.4% by 2018-2019.

It was an injustice that Fiji had to borrow to rebuild from climate-driven disasters that we did not cause — and that was a point we made relentlessly to the world's financial institutions. I have explained the costs of Winston hundreds of times to thousands of people.

And, Mr Speaker Sir, all of that advocacy worked. The world heard us, and we became able to access more affordable finance at lower interest rates. From 2018 to 2020, the average cost of our overall debt portfolio began to fall from 6.0 percent in July 2019 to 5.6 percent in July 2020.

This trend made it obvious that the debt-to-GDP ratio alone wasn't the only measure that mattered. The cost of our debt mattered just as much.

COVID's economic impact was worse than Winston, Yasa, Harold and every other storm that has struck us since 2016 combined. Tax revenues fell by 50 percent on average every month. We lost almost \$1.4 billion in tax revenues over 12 months. So in two years we lost almost \$2.8 billion in tax revenues. During the same period we had other new non-tax inflows, like budget support grants and divestment receipts from EFL that partially mitigated this revenue decline.

So we borrowed to maintain public expenditures at around \$3.7 billion, which includes the over \$500 million provided in unemployment support and other relief measures.

The average cost of our overall debt portfolio as of July 2022 is 4.4 percent, a reduction of almost one quarter from pre-pandemic levels. That translates to at least \$100 million annual savings on interest payments. Interest payments alone are saving hundreds of millions of dollars. This was mainly due to the Government's ability to negotiate access to lower-cost, policy-based loans, concessional financing and lower domestic yields over the pandemic period.

Certain politicians and their lackeys love talking about “debt” – but they refuse to talk about these falling servicing costs. They refuse to acknowledge the imperative of borrowing during a global crisis. And worst of all, they refuse to talk about the alternative, let alone offer one. They refuse to tell the people what would have happened if the government hadn’t stepped up and kept the economy going. Their deliberate distortion of reality is worse than uninformed — it is dishonest.

But I will tell you. Oddly enough, I think the Fijian people don’t need to hear it from me, because they know. It is only the opposition members who sit in this chamber, their party hacks, and their various mouthpieces in the media and elsewhere who need to wake up and smell the coffee.

The pandemic hit hard everywhere, but as the United Nations Secretary General recently said only a few days ago at the Pacific Islands Forum - where our Prime Minister chaired the session and was the Chair of the forum - small island economies were by far the most vulnerable. These vulnerabilities are inherent and unavoidable — they have to do with the size, scale, and relative isolation of our countries. Unfortunately, we can’t fix our place on the map, even if we wanted to. Pre-COVID, the Fijian economy was coming out of nine straight years of economic growth. Agricultural production was at record highs. Tourism was at record highs. Manufacturing was at record highs. New sectors, like business process outsourcing, were gaining steam. The pandemic caused our economy to shrink by 17.2% in 2020, which took our GDP back to 2015 levels. However, given our expected rate of growth following the resumption of tourism last December, we should fully return to pre-covid GDP levels by 2024.

Without the government's stimulus package, the closure of our borders and introduction of necessary health restrictions would have created a socioeconomic crisis and inflicted decades-long economic devastation. People would have been cast into abject poverty. We would have depleted our foreign reserves. We would have lost our national carrier and been left with no planes flying visitors to our shores. Hotels would be closed and sold off. Right now, the only booming business would be debt collectors, and the best job available would be for people who board up shop windows. We would see riots in the streets — and that anger would be justified, because people wouldn't have had food to eat. Rising prices, plus jobless people, plus shuttered businesses would add up to the worst socio-economic unrest in history. Ten, even twenty years from now, we'd still find ourselves recovering. We borrowed prudently to prevent that. Every government on Earth that could borrow did so for the same reason.

But we didn't just stave off disaster; we prepared for the future.

Any objective business owner understands that government took on that debt so that they - the businesses - would not have to. The private sector in Fiji holds a debt of \$10 billion. If government hadn't borrowed money offshore and then injected that liquidity into our domestic financial system, private sector interest rates would have gone through the roof, to as high as 10%. That means we prevented debt servicing costs for business from skyrocketing by upwards of one billion dollars — which would have made serious investment virtually impossible for years to come. And we managed that well within the bounds of prudence.

At the height of the pandemic, the government worked closely with financial institutions and the Reserve Bank of Fiji to grant a

moratorium on more than 30,000 private sector loans, a total of more than \$3 billion, as COVID-related. We thank the banks for their cooperation and support to our businesses — it has certainly paid off. Most of these loans are now being paid back — principal and interest. Only a tiny sliver of those loans are not serviceable, and at a negligible cost. That means businesses are not only open, they are doing well enough to make good on their loan payments. We tied them over when it mattered most, so their businesses did not shut down, people did not lose homes, and jobs did not disappear forever. While our opponents speak about debt, they ignore the robust economic activity that allows us to manage that debt. These businesses are open, these homes have stayed with these families, and our people are working. That's what the opposition didn't tell us or the general public, Mr Speaker Sir. That is what they refuse to even admit!

Our private sector did more than survive. Businesses are seizing on the recovery, adding steam through multi-million dollar investments. In the coming months, we expect over one billion dollars in domestic private sector investments to commence, which include investments from Challenge Group, BL. Naidu, Vinod Patel, New World, Punjas, Carpenters, Lion One, EFL, Vodafone, BSP Life, FMF, TFL, Digicel, Sheraton, Pullman, Fiji Water, 18 Degrees, the Vatulele Hotel Group, Grace Road, Supreme Fuel, P. Meghji, Damodar, Rups Big Bear, CJs Group, and McDonalds who together with other industry players will be showing over one billion dollars' worth of confidence in our economy and recovery.

Government also borrowed money so that workers being laid off from the tourism industry and other sectors could succeed at entrepreneurial ventures, at opening small and medium business enterprises. The results speak for themselves - hundreds of SMEs

are open and thriving throughout the country - creating jobs and contributing to Fiji's GDP every single day. None of this would have been possible without the government working throughout the pandemic to strengthen the resilience of both our formal and informal sectors. Smart borrowing on our part made that happen. Our opponents won't tell you that either.

Because of the extraordinary actions we took domestic inflation is at 5.1% while globally it is projected to exceed 7%.

The Fijian dollar was not devalued. Imagine then what families would be paying for bread with a declining national currency.

Foreign reserves hit a new record high this week at \$3.62 billion or 8.4 months' worth of import cover. Mr Speaker, this represents our ability to purchase and import goods from other countries. If these reserves were low, Fijians would not have access to essentials like fuel, cooking gas, clothing, and every other import that we rely on.

Liquidity is over \$2 billion.

Domestic interest rates are at record lows.

And economists from ANZ have predicted 23.2% growth this year. Westpac projects 12.9% — both higher than our relatively conservative estimate.

Mr Speaker Sir, it was our purpose-built pandemic response that built the foundation of this recovery. But our greatest achievement isn't what we delivered — it is what we prevented.

Many developed and developing nations are facing down a recession — Fiji is not. Many nations are facing double-digit inflation, even as high as 80% — Fiji's in the single digits. Many currencies have been devalued — Fiji's dollar has not been. Many

countries are still closed to tourism at this very moment — Fiji is open. Many countries have vaccinated fewer than half of their eligible populations — Fiji’s adult population is virtually all vaccinated. Some people in other countries are waiting days for fuel and cooking gas — Fijians are not. Some people are literally starving to death — Fijians are not. Open a newspaper and read what is happening around the world. See the images, listen to the stories, and you will understand that billions of people would like to be in our shoes.

I want to share an account of what is happening, right now, in Sri Lanka:

Chamila Nilanthi, a 47-year-old mother of two, spent three days lining up to get kerosene in the Sri Lankan town of Gampaha, northeast of the capital, Colombo. Two weeks earlier she spent three days in a queue for cooking gas — but came home with none. “I am totally fed up and exhausted,” she said. “I don’t know how long we have to do this.”

In China, there are protests over frozen bank accounts and people continue to live under crushing COVID-19 restrictions. The largest street demonstrations ever are underway in Cuba right now due to severe food shortages and arduous COVID-19 restrictions. Mr Speaker Sir, that suffering is real, it is heart-breaking, and it is playing out globally. If we had bungled our pandemic response, Fijians would face the full brunt of those same headwinds. Instead, we are recovering, we can respond to protect our people, and there is not an economy anywhere in the world I would bet on more than ours in this moment.

We never strove for short-term gains. We never treated elections as a yardstick for making economic policy announcements. That

would be grossly irresponsible and a slap to the face of ordinary Fijians. We put the economy and the long-term livelihoods of our people first. We put the economic, financial and social security of Fiji and Fijians first.

Many in and outside of this chamber won't admit any of this because they opposed the stimulus strategy that delivered it. They argued that the Government should let the economy fend for itself; cut spending; cut civil service salaries and hours; abandon our national carrier, and leave Fijian businesses at the mercy of the market for loans. If that wasn't enough, they wrote off our assistance as freebies and they then protested our vaccination policies and our border's reopening. Their plan — if you can call it a plan — should have set alarm bells ringing in every household, Mr Speaker Sir, because if the opposition had had their way, right now, Fiji would be worse than Sri Lanka. Theirs was a recipe for an isolated country, a collapsing economy, and a people in crisis. We did not listen. Even on the most difficult days, we did not listen. Well, let me correct that: We did listen initially, but we stopped because we could not believe what we were hearing. We could not believe the shallowness of their understanding, their inability to grasp basic economics, and their apparent lack of concern for the people in Fiji who work hard every day to build a life for themselves and their families. Thank God, nobody listened to them.

So, Mr Speaker Sir, what has that taught us? The opposition makes memes — This government makes jobs. The opposition cares about their jobs — we care about the people. The opposition raises petty political objections — we raise wages. We serve the people by delivering historic economic victory after historic economic victory. The Opposition serve themselves – not so much out of a potent mix of incompetence and political-power seeking. They are

politicians before all else; And the only jobs they care about are their own. Despite all of their dire doomsday warnings, the reality of the matter is that if we turned to the global market right now to raise funds, credible financial institutions would still lend to us without hesitation. We're not talking about unscrupulous loan sharks here — these institutions don't throw around money like the National Bank of Fiji did before its collapse. These are the most sophisticated multilateral and bilateral lenders in the history of human civilization. And they remain confident in Fiji.

They have seen that every dollar we borrowed we used wisely. We took a Market Systems Development lens to our recovery initiatives in order to empower the Private Sector. Once again, we worked with bilateral and multilateral partners to begin building more resilient, flexible and efficient supply chains and industries - via an extensive network of businesses, government agencies, apex bodies and research bodies. That critical planning has meant we can now rely on a strong private sector to lead economic growth, while government ensures macro-economic stability, economic-confidence building, and improving even further the ease of doing business.

Mr Speaker Sir, if we had bowed to the political opponents' demands to stop borrowing, the private sector would not have had any cheap finance to draw upon. Businesses would be paying up to 15% interest rates on their current debts. The majority of them would have been finished — no question. That's what our political opponents consistently can't seem to comprehend or worse - don't care to comprehend. Mr Speaker Sir, the opposition are not business people. They complain about our 15 years in government, but most of them have been in politics since the 1980s and 90s! The world has changed, they haven't. And if you cannot understand

what businesses need in the 21st century, you cannot run an economy, and you cannot lead a modern country.

For the sake of honesty and facts, I hope we can recognise how foolish it is to claim that Fiji is on par with nations undergoing financial and humanitarian crises. Fiji is in a stronger fiscal position post-pandemic than Sri Lanka was before the pandemic — by a long margin. That was exactly what Dumith Fernando, the Former Chairman of the Colombo Stock Exchange, said in Fiji at a lecture earlier this month. Frankly, to compare our situation to theirs is insulting — not to us in government, but to those who are suffering, because it trivialises what they are going through. They have absolutely no compassion for them. We did not let that happen — we will not let it happen.

A LEADING PRIVATE SECTOR

Mr Speaker Sir, because we saved most of our businesses from going under when it mattered most, as we promised, we now expect the private sector to step-up and play a much bigger role in our recovery. Apart from the over one billion dollars in upcoming domestic investments — we have also set the stage for massive foreign investment that will create development, jobs and income in the tourism, manufacturing, mining, and BPO sectors. The latest findings show us that private sector credit is accelerating. During the first five months of this year, over one billion dollars' worth of loans have been disbursed to the private sector — which means the engine of business-led growth is tuned for high and rising performance.

Through this budget, the government is only borrowing to fund capital expenditure, as we have restored the disciplined fiscal balance that ensures we only borrow to build, not to cover

operational expenditure. Mr Speaker Sir, you may remember that past governments even without the catastrophe of a global pandemic took on debt just to pay civil servants — they didn't need a global crisis, like a pandemic, to create a fiscal one for themselves. Safe to say, they would have sunk to the bottom of Suva Harbour with a once-in-100-year event like COVID-19 on their shoulders.

To meet the crisis with a powerful and necessary stimulus, this government announced a 20 percent deficit in 2020-2021. That figure fell to 16.2 percent in the current financial year. Tonight, it falls to a manageable 7.4 percent through a budget that is as decisive for our recovery as it is disciplined. And over the next two years, it will be brought below three percent and bring our debt to GDP ratio below 70% within seven years.

Mr. Speaker Sir, true to our commitment to fiscal consolidation and fiscal responsibility, we are reducing our deficit level to 7.4 percent of GDP. Our forecast total revenue stands at \$2.9 billion dollars and total expenditure at \$3.8 billion for a net deficit of \$872 million and debt to GDP projected to hit 85%.

Government's role in the recovery moving forward is two-fold. One, we have to ensure that the private sector has the flexibility to deliver what it knows how to deliver. Two, we have to ensure that growth reaches every corner of the country through landmark investments in education, health, agriculture, and social protection and indeed infrastructure.

INFLATION MITIGATION MEASURES

Mr Speaker Sir, since the mini-budget announcement, commodity prices have remained extremely volatile. Some have recently taken

a dip. They could easily rocket back up tomorrow, and those increases don't impact us in isolation. When fuel prices rise, freight prices also rise, and the price of the food that we import rises as well. When fertiliser prices rise, farming costs rise, and so do food prices. It takes an elementary grasp of supply chains to understand this. Fiji does not grow onions. We do not grow wheat. So, when food and fuel prices rise due to wars far from home, so does our import bill and so do the costs for local households. Internal cartage costs increase for cane trucks, bus companies, and taxi operators. This means that local crops are affected because they rely on fertiliser to grow and they have to be transported to the market in cars and trucks, and those vehicles need fuel to run. Mr Speaker, we aren't pulling oil out of wells or in Fijian waters, and ships and trucks don't run on coconut oil.

While it is not the only cause, the Russian war on Ukraine is the most immediate driver of this price increase crisis because it has cut off vital supplies of food, particularly cereals, and energy. President Putin knows the high costs he is inflicting on Fiji and other countries because our Prime Minister has told him directly — for which our PM has been widely commended. The decision to end the war rests entirely with Russia, to be sure. But it would be cowardice for Fiji to suffer in silence along with other vulnerable nations and we will continue to use our voice to urge peace. Until such time, we have to contend with the world as it is, not as we wish it would be.

Aside from cost increases driven by shortages, inflation is also skyrocketing globally, as I've mentioned, in part due to disruptions in the supply chain that began during the pandemic and have created scarcities. Fiji is feeling this as well through the goods that we import.

Over the last two years, a period where they mattered more than ever, the Government's Social Protections measures never waned. This budget continues the more than half a billion dollars' worth of initiatives previously announced to aid those most vulnerable, which include the direct subsidy of water and electricity to those earning less than \$30,000 annually, subsidies that make bus fares more affordable, the removal of market vendors fees – that continues, the removal of export-related fees – that continues, and the removal of 20 cents fuel levy continues.

Mr Speaker Sir, as an additional line of defence, we also removed VAT on an expanded list of 21 essential food items in the mini-budget, including sugar, flour, rice, canned fish, cooking oil, potato, onion, garlic, baby milk, powdered milk, liquid milk, dhal, tea, salt, soap, soap powder, toilet paper, sanitary pads, toothpaste, kerosene and cooking gas. These will all remain VAT-exempt moving forward. This unprecedented exemption measure has already saved consumers \$50 million since its implementation on 1 April 2022 — and will save \$163 million over the course of the year. \$163 million shaved off the top of grocery bills and kept in the pockets of the families who need it most. This has cushioned the blow.

We earlier reduced fiscal and import excise duties on over 1600 items, reduced departure tax, reduced fuel duty, removed ECAL, stamp duties, service turnover tax and business licences. So far, that has saved an estimated \$600 million in taxes that would otherwise be paid.

Fiji's price controls have also prevented some commodities from becoming entirely unaffordable for many families while not pricing these commodities so low that suppliers no longer wish to export

them to us. Most countries do not have these built-in crisis buffers — we do, and they are working.

Our price controls and VAT removal, of course, haven't stopped the confluence of global crises driving up prices, but they have offered our citizens some protection. Just to give an example, fuel in Fiji is about 3.44 Fijian dollars per litre on average. In New Zealand it is 4.52 Fijian Dollars per litre. As prices go higher, we have sought other ways to protect the people as much as we can.

Tonight, we unveil a six-month \$60 million inflation mitigation package to add another buffer between our people's budgets and the rising costs of goods.

CASH SUPPORT FOR VULNERABLE FAMILIES

Through this budget, we will provide direct cash assistance to the most vulnerable Fijian families based on the number of children in each household. This applies to all children, from newborns to those in Year 13. This will be assessed in December based on where food prices stand at that time, as we expect prices to stabilise or even decrease within the year.

We'll roll out this assistance through an online application process in conjunction with the Ministry of Education, for Fijian families with a combined annual income of \$50,000 or less. We will provide one dollar per day per child in each family, or seven dollars a week or around 30 dollars per month — making for a total of \$180 per child for the next six months. A family with three children, for example, will receive \$540 in grocery assistance over the next six months. Any family making under \$50,000 a year can access this assistance — including civil servants.

Mr Speaker Sir, it's one dollar per day per child – that's \$30 a month. For 6 months that's \$180. If you have 3 children, you do the mathematics. If you have 6 children, you multiply 180 by 6. And Mr Speaker Sir, that bump makes a big difference. It can mean the difference between a fish head and a full fish. It can be the difference between a full chicken or a soup pack. It is the difference between fresh fruit or no fruit at all. It is the difference between nutrition or unhealthy snacks. And that, Mr Speaker Sir, is a difference that matters.

Those who have been taking part in the EFL subsidised electricity initiative, the water subsidy initiative and the bus fare subsidy initiative will be eligible for this subsidy, as a similar vetting process will be in place. An online platform will be developed similar to the vaccination registration process, whereby parents will apply online. Alternatively, Government will set-up registration centres for Fijians to apply in person on a needs basis. For those without connection to electricity and in the rural and maritime areas, we will make this assistance accessible through the Ministry of Education and applications will be done through the schools.

Mr Speaker, it will also apply to families whose children are below school-age too. They can also apply. We recently did a consultation where we met a lady who had 4 children below the age of 5. So all of her children will be eligible for that.

Support for Social Assistance Recipients

To assist Pensioners with the current high inflation environment, all existing social welfare, Government pension and AfterCare Fund recipients will receive a payment of \$180 over a six month period. It is expected that around 100,000 Fijians will benefit from this initiative. Similarly, to the cash support provided to vulnerable

families, it is based on an assistance of \$30 a month for the first six months.

Bus Fare Subsidy

Mr Speaker Sir, just because fuel prices are rising doesn't mean our people have any less reason to travel to work, school, or to access essential services. So that travel must be as affordable and reliable as we can possibly make it. That is why, from 1 August, government will directly subsidise bus fare by ten percent across the board for at least the next six months. We are taking on this cost because we do not believe it is fair to place this burden on the backs of the bus companies. So when bus riders pay this new discounted fare, the Government will pay the difference directly to the bus companies. To pick up that 10 percent cost, \$6 million has been allocated in this budget. We will make an advance payment to all bus companies for the month of August based on previous records and reconcile with acquittal and e-ticketing data every month.

Support for Tertiary Students

We have not forgotten our tertiary students, regardless of whether or not they are TELS/ Toppers recipients, all Fijian students enrolled at any tertiary institutions, FNU, USP, and the University of Fiji, and any other approved institutions will receive a payout of \$180 over a six month period, to be paid out in two phases. This includes Montfort Boys Town, Nadave and Sangam. About 30,000 students are expected to benefit from this scheme.

INFRASTRUCTURE

Mr Speaker Sir, strong economies, and recoveries for that matter, are built on strong infrastructure.

Fiji Roads Authority

Now would be a terrible time to turn away from managing and building the roads, bridges, and jetties that connect the country. Sustaining our recovery over the long-term demands landmark infrastructure investments. It is the smartest way to support a private sector-led recovery; it is a powerful way to create more livelihoods and support our farmers and rural and maritime communities; and the most important way we continue to build Fiji's climate resilience. We need more roads, not fewer. And those roads must be maintained to the highest possible standards, especially as rains, storms and sea-level rise intensify. People need to get to work, crops need to get to markets, and students need to get to school.

Over the next five years, the FRA is undertaking a capital works programme valued at \$2.5 billion. In the 2022-2023 financial year, the Fiji Roads Authority is allocated a total sum of \$376.7 million for the effective management and development of Fiji's road network. \$13.8 million will cater for the Authority's operational costs and \$362.9 million is to carry out a comprehensive capital works programme to keep up with Fiji's growing need for new infrastructure and to maintain our existing road network.

\$60.0 million is allocated for FRA's ongoing Maintenance Programme. \$50.0 million is allocated for the Renewal and Replacement Programme, and a total sum of \$31.4 million is

allocated for ongoing bridge construction for the Naseyani Bridge, Rakiraki; Vunikawakawa Bridge in the Northern Division; Matawale Bridge; Waidalice Bridge; Vuniyasi Bridge and Yaqara Bridge, most of which will be completed by September 2022. In addition, funding is also allocated for the construction of the new Toga Bridge in Nausori.

Government has allocated \$15.0 million to help fulfil its commitment to connect our rural communities to our economic centres and key public services. These communities must have the security and the connection to the rest of the country that a robust road network will provide, and Government will allocate funding to pave new access roads to previously inaccessible communities. \$3.0 million is allocated for the upgrade of the Lagi to Tawake Village road and a new road between Tawake to Wainiika, in Vanua Levu (Udu Point). Funding is also provided for a new road to Nasauvakarua in the interior of Viti Levu. FRA is also planning to cut the new road from Namosi to Nasauvakarua Village. \$1.0 million is allocated for the commencement of design and the construction of Kavanagasau Road along Sigatoka east bank.

Major ongoing projects that are aimed for completion in the 2022-2023 financial year and will require funding for completion include the Vuci Road upgrade project (\$3.0 million) and the upgrade of Queen Elizabeth Drive in Nasese (\$20.0 million). To explore the most feasible options for easing congestion on our roads, \$150,000 is allocated for planning, investigation and survey for Adi Lady Davila Road and the Nadi-to-Lautoka four-lane. Investment along these frequently trafficked routes will foster growth and development in nearby areas and make the roads safer and more reliable for road users.

And Mr Speaker, \$145,000 will enable FRA to commence a pre-feasibility investigation into the construction of the Viti Levu cross-country highway — a road that will become one of, if not the most, ambitious infrastructure projects in the history of the South Pacific. From a strategic nation-building perspective, such a highway will significantly reduce travel times, for one. It will also unlock serious opportunities for our interior communities who have been constrained by the set-up of our national infrastructure network. The highway will be built section by section, creating jobs all along the way. And, once completed, it will be Fiji's first-ever toll road, bridging the West to our capital — creating far greater social mobility and a huge opportunity for commercial, industrial and tourism expansion throughout Viti Levu's interior. It will catapult the value of land in the interior. More land will be leased, more Fijians will have access to affordable homes in areas that are made more convenient, and that will all create benefits for our iTaukei landowners.

There are a number of non-FRA assets (roads, crossings, culverts) around the country that were initiated as projects through communities and government ministries and therefore not classified as FRA assets. Whether you call a road an FRA asset or not doesn't change its value to a community. So an increased allocation of \$5.5 million will allow the FRA to upgrade these assets so that students can get to school, vendors and farmers can get to markets, those in need of medical assistance can get to hospitals, and people can generally get wherever they are going.

This of course will mean that eventually these roads will need to be transferred to FRA as assets.

I mentioned earlier that we travelled to Tawake Village for budget consultations. It was actually quite recently that this government cut the sole road that led to Tawake Village. Many communities in Fiji are still unconnected. They have no road access and rely entirely on waterways for travel. With the rising cost of fuel it is exorbitantly expensive to bring your fish from Udu Point to anywhere with a road access. We've been steadily connecting these communities over the years, though if past governments had shown the same initiative, and cut just 50 extra kilometres of roadways in Fiji every year, all of those communities could have been connected to the nation much, much sooner. It is actually a tragedy to see it on the ground. And here we have people talking about cutting expenditures from FRA. It is our commitment alone that will allow all these isolated villages, who we've heard directly from, to be connected.

WATER AUTHORITY OF FIJI

\$204.3 million is allocated to the Water Authority of Fiji. \$89.2 million is allocated for operating expenditures, while \$115.1 million is allocated for Capital investment to improve and expand the nation's water distribution network and wastewater management systems. These networks need to become more reliable, more resilient, and more capable of serving a nation on the move. If we don't make these investments now, our children will pay for our folly.

WAF provides services to some 772,000 Fijians nationwide and currently has 154,383 water and 33,190 wastewater active connections. Most of the ageing infrastructure that makes up the reticulated system was built around or before our independence. Its limits present us with major challenges in both capacity and

maintenance. Rural urban drift adds another strain. Currently, there are over 360,000 Fijians residing in the Lami-to-Nausori corridor. The current peak day demand in the Lami-Nausori area alone is approximately 174 million litres of water a day, but our current WAF systems at full capacity are able to produce only 172 million litres.

Mr Speaker Sir, the new Rewa River Water Supply Scheme Project, which supports the water supply and, as a result, the sustainable growth and development in the Greater Suva Area will now be completed in the May of 2023, only nine months from now. This project together represents an investment of \$270 million — the largest water-related investment in Fijian history. It will end water woes in the Lami-Nausori corridor through an additional 40 million litres worth of water per day for the benefit of over 360,000 Fijians. Mr Speaker, that amount exceeds current demand by 38 million litres daily. Of course, that means that we can connect to other unconnected areas.

Major service disruptions are also being experienced almost daily along the Tacirua East Sub- Division feed zone. Due to a land dispute, we could not fully access or utilise the reservoir at the Tacirua East subdivision. We have developed an alternative route to the reservoir, at great cost, I might add. We can soon supply water to the lower Tacirua East Sub- division area. WAF has been allocated \$1.1 million for the urgent completion of the pipe-laying and connection works to the Tacirua East Reservoir. Once the reservoir is commissioned, it will address the service disruptions and bring much-needed relief to the Tovata/ Khalsa /Nagatugatu feed zones within the next two to three months.

Transfer of Momi Water Pipeline from FNPF to WAF

The treated water supply from the WAF Infrastructure and Nadi system currently ends at the Uciwai junction along the Queens road and the Nabila Village past the Uciwai Settlement. The only reticulated water supply infrastructure serving the area, which was owned by the Fiji National Provident Fund.

As part of this budget, we are happy to announce that the government has acquired the momi water pipeline from the FNPF at a cost of around \$2 million. The ink is still wet on the agreement, which was signed just yesterday between WAF and FNPF. We will begin connecting a total of 3,999 people along the Uciwai to Nawai corridor and settlements along the coastline from Uciwai to Koro to the system.

A total funding of \$18.25 million will fund the extension of water supply to Uciwai, Nalovo, Nawai, Gap between Nabila and Momi Village, Momi Village & School, Nawai Secondary School, Nalovo Sangam School, Savusavu, Tau, Korokula, Bavu, Backpackers and upcoming Hotels near Marriott progressively over the next two to three years.

Out of this \$18.25 million, a budget of \$800,000 is allocated under the 2022-2023 financial year to extend the water supply to customers at Nalovo settlement and people residing along the Queens road from Uciwai to Nawai junction.

Some of the improvement works under this funding shall include the implementation of the Nawaicoba booster pumps, reservoirs and its associated water mains, construction of water mains for extension of water supply to areas mentioned above and further construction of reservoirs with booster pumps at Bavu and Tau to ensure 24 hours water storage and adequate pressures to cater

24/7 supply to 3,999 people, Primary & Secondary Schools and upcoming Hotels & Resort Development in the subject area.

Other water-related improvements

Over the next five years, WAF will be focusing on reducing the amount of water that is lost in the system by strengthening pressure management and leak-detection activities. Shockingly little work was done by previous governments to regularly maintain water infrastructure and that short sightedness is catching up to us. The Authority will also streamline its activities by outsourcing the automation of the water and wastewater systems. We need more private sector efficiency and effectiveness to get the job done. It will help us manage assets better and urgently put private sector ingenuity behind our effort to build a climate-resilient water and wastewater utility.

To conserve more of our water supply, we've allocated \$1.0 million for the rainwater harvesting programme and \$5.5 million for improving non-revenue collection. For the rainwater harvesting programme, Government will now fund the construction of bases as well as distribute the water tanks. We encountered several cases where tanks were ready to distribute, but bases were not yet built as people could not afford to build the bases and therefore could not receive the water tanks. Government is now taking on both responsibilities in the name of efficiency. WAF will be engaging contractors to build these bases across the country to lift this burden from communities' backs.

WAF Legislative Changes to address Infringements

We are amending the Water Authority of Fiji Act 2007 to ensure that the Water Authority of Fiji can issue infringement notices for offences. This will address offences such as tampering of WAF assets, illegal or unauthorised connections to our water and sewer reticulation system and trade waste non-compliance. With the introduction of infringement notices, WAF will be strengthening enforcement and compliance to curb these breaches to protect its assets, the communities and the environment. WAF will closely work with relevant stakeholders to educate and raise awareness in this area as well.

Plumbers Licence

Plumbers provide an essential service in our society, and quality of their work underpins the safety of our homes and commercial buildings. Having a licence ensures that a plumber in Fiji has been tested for his or her knowledge and skill to carry out their work. The amendments to the WAF Act will enable the Water Authority of Fiji (WAF) in partnership with Fiji National University (FNU) to issue plumbers licences. The task of providing the necessary training facilities and examinations for Fijians who want to apply and get certified in this trade will be done by FNU. The plumbers' licence will integrate and replace the waterworks fitters' licence and drain layers licence previously issued by Water & Sewerage Department and the Municipal Councils respectively in the past.

Government will continue its efforts of improving our water treatment plants and development of water sources. Government will provide an allocation of \$6.9 million for Water Treatment Plants in Waila, Tamavua, Wainibuku, Balevuto, Benau, Naviqiqi, Tasman tank works Nadi Hospital, Lautoka Hospital, Tauvegavega,

Phullugers, Tavakubu and Nawaicoba and water source at Vakaderebua.

As part of the Water Distribution programme, \$12.0 million is allocated for the replacement of old, undersized and leaky water mains and distribution systems. \$4.9 million is also allocated for the Rural Water Supply Programme in order to provide access to clean water in rural communities. Villages such as Navutu, Nauluvatu and Waibalavu in Naitasiri, Dada Government Station and Rt. Simione School in Namosi, Balekinaga Village and Driti Village in Tailevu, Nagatagata village and Marou Village in Ba, Navola Village and Sariyawa in Nadroga, Vatukacevaceva and Nawairuku Village, Bureiwai District School and Rarapatu Settlement in Ra. Domonisavu District School in Cakaudrove, Tavulomo Village in Bua and Bucalevu Combine Scheme and Nakanacagi Village in Macuata.

Solar Home Installation

The Department of Energy has been allocated \$4.0 million to install stand-alone solar home systems in 1,000 homes in remote communities that do not have access to the main EFL grid. This is more affordable, it makes these communities more resilient by lessening their fossil fuel dependence, and it helps bring us in line with low-emissions targets we've set for ourselves and which we demand from the world.

All 1,000 households will be receiving a Type 2 system which has a capability of supplying AC loads such as charging laptops, charging mobile phones/torches, television, small radios, fans,

small washing machines and any other small loads less than 300 watts.

The Department of Energy has also been allocated another \$1.0 million for the maintenance of the Type 2 systems — a responsibility that covers around 5,000 systems for the 2022-2023 financial year.

Also, there are approximately 1500 systems on the ground that are Type 1. It will cost around \$6.0 million to replace these systems to Type 2 and will be done progressively over the next 3 years.

Lautoka Lighting

Mr Speaker, we will also be assisting the Lautoka City Council with the upgrade and installation of stadium lighting at Churchill Park. We want the Fijian Drua home games to be played in the evenings and we need to light up the stadium to make that happen to meet international standards. Night games get more fans — as we saw right here in Suva at ANZ Stadium – which I understand now has changed its name to HFC. They also bring in more viewers around the world. Half a million dollars will go towards this project to light up Lautoka and of course we want the Drua to do really well, Sir.

Shipping Services Subsidy

\$3.4 million is allocated for the Shipping Services Subsidy in the financial year which will cater for the increase in subsidy rates for routes under the scheme. The increase in subsidy rates will cushion the impact of rising fuel costs, and ensure business continuity for vessel operators that service the uneconomical routes in the franchise scheme. Additionally, \$100,000 will be

allocated to cater for the upgrade of amenities/facilities at the Vatuyalewa Jetty in Buca Bay.

Re-design and Construction of Retaining Wall at Government Wharf – Phase 1

\$2.5 million is allocated for the construction of a retaining wall along the Government Shipping wharf side of the watercourse. The project will be undertaken in two phases. Phase 1 will be implemented in the 2022-2023 financial year, in which 107 meters of retaining wall will be constructed to prevent soil erosion which can cause severe damages to Government Shipping vessels and the premises.

Nadi River Flood Alleviation Project

The Nadi River Flood Alleviation Project is pushing ahead despite some delays. Nadi's climate resilience is vital to its residents and the tens of thousands of Fijians working in tourism who rely on the jetset town as our international hub and indeed the gateway to our country. Physical works will begin on a drainage system in Nadi town proper and design works for the widening of the Nadi River to reduce flood risks that have been devastating communities along the river on a near yearly basis. The project has been delayed due to COVID but all efforts are now put into place to expedite the works. This has to get done. And it will.

We were there only a few weeks ago and we saw the devastation. There was one particular village where people used to plant cane

and that 200 metres of cane farm has now gone – it is now part of the river.

We're funding that effort through a renewed mix of funding commitments from the Japanese and Australian governments along with \$5.0 million in government funding. Discussions will also be held with the World Bank to gauge their interest in the project funding.

Ministry of Communications

Mr Speaker, no form of infrastructure is more determinative for success in the 21st century than digital infrastructure. It is the area where our government's agenda is the least anchored by past incompetence, because the nation's digital revolution has happened almost entirely under this government's watch. Fiji's data speeds are superb. Data is accessible virtually nationwide. And the most remote rural and maritime pockets of the country are increasingly being reached by a satellite network.

Under our flagship initiative – digitalFIJI – and over the past 4 years, we have launched the full government digital directory, enabled Fijians to e-communicate feedback directly to their Government and track the status of their feedback while they await a response; undertook comprehensive assessments and streamlined the processes of a number of agencies; massively expedited the digital registration of a newborn; provided a suite of fully online ROC services such as companies and business systems name searches, lodgements, amendments, de-

registration and cessation services; and ability to make online payments.

The Ministry's total budget for the 2022-2023 financial year is \$53.8 million. The Ministry will continue to provide and enhance these services — and deploy more innovation.

The Ministry will continue to provide internet connectivity to the unconnected Fijians through the Connectivity Rollout program. Last November, we connected 26 schools and 14 health centres in the Northern Division. Of these 40 sites, 26 have Wi-Fi hotspots that provide connectivity for the 17,000 Fijians in the surrounding community. We had further identified 59 unconnected and poorly connected schools nationwide of which, in the last two months, we have connected 9 schools already – Navonu Primary School; Elik Memorial School; Nairukuruku District School; Rewa District School; Saqani High School; Ratu Varani Memorial School; Gau Secondary School; Cautata District School; and Muaira Methodist College. Due to shipping transport challenges, the 10th school – Cicia High School in Lau will be connected by the end of this month. A sum of \$2.5 million is allocated to connect an additional 49 schools around Fiji and the remaining 35 schools will be connected in the 2023-2024 financial year.

In consultation with the telecommunications sector, an assessment has identified 240 unconnected and poorly connected sites and these sites have been gazetted as universal service areas for mobile connectivity which will be implemented in phases. As such, 15 tower sites have been identified under the Universal Service Areas project to connect at least 96 unconnected or poorly

connected areas to voice and internet connectivity. The tender was advertised earlier this week and while this is being finalised, we anticipate an estimated cost of \$11 million for the construction of these towers. This will be funded from the Universal Service Fund. We will also use the Telecommunications Development Trust Fund to fund some of the operations and maintenance of the towers that are to be built.

\$1.0 million is allocated to the Ministry to conduct a feasibility study and develop implementation plans to build a submarine cable landing station in the western side of Viti Levu. The Vatuwaqa cable landing station provides over 80 percent of international connectivity for Fiji. If it ever fails, we will lose connectivity to most of the country. It happened in Tonga recently. It could just as well happen here. Building a submarine cable landing station in the Western Division which will connect to a different existing international submarine fibre optic cable, will increase resiliency and stability to our telecommunications network and will strengthen our position as the ICT hub of the Pacific. Indeed, many BPOs will only come to Fiji if they know that we have reliable connectivity. In this financial year, we will engage a consultant to undertake a feasibility study, conduct Environmental and Social Impact Assessment, develop implementation plans and engage a project management consultant to oversee this important initiative.

Walesi

Mr Speaker Sir, we've successfully completed the digital switch-over awareness project for the whole of Viti Levu — and another \$14.6 million will be allocated to Walesi this year to fund the

completion of Digital Switch-Over awareness project for the rest of Fiji, the continuation of free wireless internet hotspot access across 16 public areas throughout all Towns and Cities, as well as cover operational expenses to support universal access to information through digital television and radio. Today, we have over 200,000 households with Walesi set-top boxes throughout Fiji which have connected through Walesi's 25 transmission sites across Fiji and over 700,000 subscribers to our Walesi app.

In times of disaster, celebration, and anytime the nation needs notification, we will be connected on the same national network of news, no matter where in Fiji we reside.

Walesi also provides free installations for villages and community halls to enable access to information for disadvantaged and marginalised communities. Places that have never had access to live news, live sports, and other entertainment, and indeed access to parliamentary proceedings, now have it — and through the allocations in this budget, Walesi will install an additional 50 community installations. 50 more communities that will be part of our national-connected network.

Fijian Vaccine Pass System

Given that COVID-19 is not entirely eradicated and to future-proof our recovery efforts to produce trusted, secure and credible proof of vaccination and test certificates, the Ministry of Communications laid the groundwork for a Vaccine Registry, and subsequently a Fijian Vaccine Pass. The Fijian Vaccine Pass is International Civil Aviation Organisation (ICAO) and EU General Data Protection

Regulation (GDPR) compliant. The system has the capability to, and with further enhancements, be repurposed for future pandemics and also provides the foundational components for future single identification efforts that we have for national ID cards.

Valelevu Shuttle Bus Programme

As previously announced, the Valelevu shuttle bus pilot program will serve the Greater Nasinu area, the most densely populated area of the country, including the area between Centrepont to Davuilevu and Nakasi. The shuttle services will cater for around 13 routes by the end of this calendar year at a cost of around \$4 million. We will have electric shuttle buses running on these routes — representing the first electric public transportation fleet in Fiji. Aside from making travel cleaner and more convenient, they represent an ambitious and important step towards decarbonising our economy.

Seafaring Entrepreneurs Assistance (SEA) Subsidy

Of course, you can't reach everywhere in Fiji by road. In this budget, we've allocated \$500,000 to subsidise the purchase of fully equipped and operational fibreglass boats for Fijians living in the most isolated coastal areas of Viti Levu and Vanua Levu. The initiative — known as the Seafaring Entrepreneurs Assistance or SEA Subsidy — furthers our longstanding commitment to the self-starting culture of business in our maritime communities.

To date, \$108,053 has been approved for release and disbursement to 16 applicants. This half a million dollar allocation will fund many more.

Given the large number of requests during budget consultation meetings, the subsidy will now be extended to those living in deep rural areas, where there is no road access. These include: Tikina Tawake (Tawake, Nagasauva, Vatu, Wainigadru, Wainiika, Yasawa), Tikina Udu, Cikobia, Yacata, Galoa, Kavewa, Yaqaga, Druadrua, Naveidredre, Qamea, Nukuni, Rewa, Bau Island.

Airport Upgrades and Extensions

Fiji's airports are our bridge to the world and the foundation of our tourism industry's recovery. We've been searching exhaustively for a management entity to implement a customer-centric and capital-intensive vision to expand the reach of our airports and improve the quality of service offered to travellers. Naming an outside manager for Fiji Airports isn't at all uncommon. Changi Airport in Singapore may be the best in the world. Its operation and management are handled by an outside operator. The Qatar Airways Group also manages the Hamad International Airport.

We didn't have to look far to find world-leading aviation management expertise. Despite going up against larger and better-resourced competitors, our national carrier, Fiji Airways, flies in the vast majority of all visitors to Fiji. In the early months of our recovery, they flew in nearly all of our visitors.

There's a reason people choose to fly like a Fijian — Fiji Airways provides incomparable service while competing vigorously to maintain comparable fares. The point, Mr Speaker Sir, is that the Fiji Airways model of service-delivery has not only been honed against the best of the best, it has wide application across our aviation sector where their management team has deep industry knowledge.

After considerable deliberation, we've identified Fiji Airways as the natural partner to manage Fiji Airports' operations. We have since finalised a management agreement to leverage Fiji Airways' culture of world-class customer service and strategic investment for the benefit of every airport in the country.

This administrative change will not affect the business, mission, board of directors, governance structure, compliance, or staff of Fiji Airports — it is still a business that prioritises shareholder value in connecting Fiji to itself and to the world. Fiji Airways will simply become responsible for the day-to-day operations with a relentless focus on the customers which, in this case, are everyone who uses Fijian airports — our citizens and visitors alike. From baggage handling, to gate management, retail experience to every other service unseen by the public known in the industry as “below the wing”.

We've successfully employed an outside operator before at Fiji Ports Terminal Limited, where cargo handling has improved by 60%, average turn-around time for vessels decreased from 36 hours to 20 hours and average berthing time per vessel reduced from 6 hours to 1 hour or less. Fiji Airways' management mandate

will be to step-up airport infrastructure nationwide — meaning to upgrade our existing airports and build new ones. Starting in Nadi, they will upgrade the baggage handling and airside infrastructure and enhance the arrival experience, to improve customer amenities at Nausori Airport, and review our outer islands facilities, including Labasa and Savusavu with an eye for major capital development opportunities.

Housing

Mr Speaker Sir, housing is a form of infrastructure that belongs with the people as an asset they can grow in value and pass to their children. But ensuring access to adequate housing is about more than any financial benefit — it is about security, dignity, ownership and optimism for families.

Through its Informal Settlement Upgrade and Formalisation Programme, the Ministry of Housing and Community Development acquires TLTB development leases and state leases where necessary – predominantly TLTB leases, and then adds the infrastructure necessary to formalise settlements and make them worthy places to call home. They get a 99-year lease.

To date this Government has acquired a total of 42 development leases to safeguard low-income families and also ensure that land owning units are adequately compensated with premium and annual rental payments that are funded directly by the Government. Annually, the Ministry of Housing pays close to \$300,000 in rental payments for these 42 development leases. In the 2022-2023 budget, funding has been allocated to acquire two more development leases, Valemasima and Sakoca Stage 2. After

acquisition, these leases will be placed into the informal settlement upgrade work plan. Of the 42 existing development leases, 12 are currently in the tender stage for the engagement of a contractor and six are currently in the Engineering Phase. The Ministry of Housing and Community Development has been provided an allocation of \$9.8 million to run the Informal Settlement Upgrade and Formalisation Programme in the 2022-2023 financial year.

Through the revised 2021-2022 budget, we as the Government stood up for the injustice faced by Fijians seeking affordable housing at Lagilagi, or Jittu Estate as commonly known. We have discussed this scam in detail in previous budgets, so there is no need to review the details again now. What is important to know for budget purposes is that the magnitude of the fraud became clearer once the reimbursement application process began. The ministry received more than 655 applications, at least 318 more than we initially expected, and has paid a little over \$2.2 million to date to 336 applicants. We are now allocating \$1.9 million for the 2022-2023 financial year to reimburse the remaining 318 victims of this scam. We as the Government of the day see it as our responsibility to return funds to our wronged citizens and finally heal the wounds left by PCN.

The revised Social Housing Assistance Policy aims to introduce more sustainable and climate-resilient housing assistance to those who need it most. The recipients must be members of the land owning unit if they are building their home within the community boundaries, or they hold a freehold or lease title for the land they want to build on. Through the 2022-2023 budget, the Ministry is provided an allocation of \$1 million to implement the revised Social Housing Policy, with successful applicants eligible for a maximum

grant of \$10,000 for the purchase and transportation of building materials. I say transportation because many of these communities are in maritime areas.

The **Koroipita Model Town Charitable Trust** is a non-governmental organisation committed to building engineered and serviced subdivisions and cyclone-safe houses for low-income Fijian households. The Ministry of Housing and Community Development is allocated \$2.1 million to provide shelter to 105 more families in desperate need of safe accommodation under Koroipita Stage 4.

We're also taking steps to house more civil servants through opportunities for private investors to construct and operate strata title housing quarters that are available exclusively to civil servants and their families. We will start by making the first crop of units available to the Fiji Police Force. Over the long term this will ensure that civil servants can affordably own homes and alleviate pressure on the wider housing market — extending the same benefit for all home-buyers and builders.

And finally, Mr Speaker, on the subject of infrastructure I want to quickly review the current projects under tender and advertisement

We've provided funding in the next financial year to break ground on a new Fiji Pharmaceutical and Biomedical Services Warehouse; the subdivision construction works for Sasawira Informal settlement; the design and build for the Existing dormitory at Ratu Kadavulevu School; the upgrading of the Savusavu Market; the rehabilitation and construction of schools in Kadavu and Southern Lau; and the design and build of the Nabouwalu Passenger Terminal.

EDUCATION

Mr Speaker Sir, the most important pillar of a sustained recovery isn't built with brick and mortar — it is built by knowledge gained through education.

Tertiary Loan Education Scheme

The pandemic changed the global labour market in defining and enduring ways. Despite moving on to recovery, many advanced economies still suffer debilitating workplace shortages in healthcare, hospitality, education, and other service sectors, in air transport and other industries.

To fill these gaps, many developed countries are poaching skilled workers from developing countries like Fiji. There was a recent advertisement in our newspapers offering to pay Fijian chefs with three years of experience up to 80 -120,000 AUD annually to work in Australia because there is a shortage of chefs. And it's no wonder why our citizens are in demand. We have incredible people — and this budget makes our biggest ever commitment to their education.

The same generation of Fijians empowered by free education have benefitted from \$1.2 billion in government support towards Tertiary Scholarships and Study Loans. In the next financial year, that commitment will be strengthened by a \$162.6 million allocation to fund scholarships, study loans and grants. We will award more scholarships, more study loans, and more grants in the next financial year than any year in Fijian history — funding a total of

9,200 scholarships and study loans in addition to 200 grants for micro qualifications for skills to meet the anticipated boom in our construction sector and combat the overseas poaching of our skilled workers.

Under the current system, students who are pursuing qualifications which require an industry attachment have been at the mercy of the market with regards to what they are paid. Because these attachments are required, they have very little leverage to negotiate competitive allowances. Pursuing an education should not mean accepting the bare minimum of living standards — but we don't want to push that cost of higher allowances on to employers. Government is currently paying \$100 a month in allowances to students completing industrial attachments under TSLS sponsorship — in this budget we go further to also provide that \$100-a-month top-up to private students for the first time. These grant assistance requirements will be to meet the graduation requirement in the student's programme of choice — no extra strings attached. Many of these individuals cannot complete it because they cannot get a work placement.

To boost employment in our construction sector, we will also provide **200 awards as** one-off grants for up to **\$500 per student** for those who do not meet the eligibility for scholarships and study loans. These students are looking to enter the job market with skills that can earn them a decent living instead of facing unemployment. This grant funding will help them obtain micro-qualifications in a construction-related skill course over a period of two weeks to one month. Once that education is completed, they can go on to become tile layers, painters, cabinet makers and joiners, block layers, plumbers, and other professions that are critical to the

national network of modern infrastructure we are building every day. As an example, when the Christchurch earthquake took place, many of our brick-layers, plumbers and tilers and plaster men and women went away on short term visas and they have now been granted long term visas so we were left with this gap. Not to mention, these same students can go on to study diplomas and certificates in more advanced areas once they acquire enough practical experience. This grant will be targeted but not limited to those who do not meet eligibility criteria for scholarships and study loans. But to be clear, this is not a loan, there are no strings attached because we really need to fill in this gap. We are seeing now that many in the construction sector are hiring workers from Bangladesh and bringing them in from the Philippines. We want our people to get the first opportunity if they have the skill sets.

Scholarships

Mr Speaker, let me be clear in saying that TVET is not a second class education — and the professionals produced through its study programmes are no less critical to the building of the nation than any other. We need mechanics. We need plumbers, electricians, welders, and joiners as much as we need any profession in Fiji. These are skills — important skills — and they should be branded and equally respected as such. Through this budget we will re-brand TVET to ‘Skills Qualifications’ in recognition of the value these skills offer our economy.

To ensure that equal respect is given, the government will introduce a new scholarship scheme, known as Skills Qualification, at FNU with 200 awards. The cut-off mark for this new scholarship scheme will be 250 in Year 13 or 270 in Year 12.

Government will also reinstate the National Toppers Overseas Scheme which was suspended because it was entirely impractical to send students overseas due to pandemic-related travel restrictions. But now we can make up for lost time — the previous allocation of 20 scholarships will double next year to 40. 30 of those will be for degree programmes (engineering, medicine, science, agriculture, fishery, forestry and IT and architecture etc. which is not available in Fiji (?)), five will be for working people in public sector organisations, and five for the newly-branded Skills Qualifications.

For the first time, for studies here in Fiji, we will allocate ten Ph.D research scholarships and 20 Masters Research Scholarships for full-time studies. Three awards from the Masters Scholarships will be ring fenced for the newly-formed Monash University-FNU Pacific Island Countries Climate Change Research Centre. The areas will be in Medicine, Health, Science, Engineering, Climate Change/Environmental Science, Marine Science, Forestry, Public Policy, Public Financing, Economic Modelling and ICT. All recipients of these PhD and masters awards will have compulsory bonding with employers who are classified as Fijian entities.

These postgraduate-level opportunities for our best and brightest are borne from our push for innovation, our focus on research that can solve our greatest challenges, and the creation of new knowledge that strengthens the foundation of our talented workforce and knowledge-based society. We don't always need the world to solve our challenges for us — we will field home-grown leading experts that can solve our challenges alongside the world.

Government will increase the National Toppers Local Scheme award from 547 to **770** with 40 awards to MBBS, five for Bachelor

of Dental Surgery and 40 for nursing. The scholarship cut-off mark for the nursing programme will be 300 in Year 13. We are making landmark investments and launching innovative policies to expand the reach and quality of healthcare in Fiji — including surgeries that have not been offered in Fiji before. And we need more doctors, more nurses, and more dentists, amongst other specialists, to deliver on our commitment to a healthier Fiji.

Many of our teachers are being poached by overseas educational systems as well. Recently about 60 teachers were acquired by Australia. Government will allocate 165 scholarships for teacher training in Maths & Physics, Industrial Arts, Primary Education and Computer Science. The Scholarship scheme for students with special needs will continue. Awards for the In-Service Scheme will increase from 120 to **140 awards** of which 100 will be for public sector organisations and 40 for private sector and state owned enterprises.

For anyone at home doing the maths — these announcements mean that the total number of scholarships in the next financial year has doubled to 1,200. I know our students are keen to know how they can apply. The full eligibility criteria will be published by TSLS in the Fijian Scholarship Scheme regulations and online.

Study Loans

Fijian students lost out on significant hours of learning in 2021 which was the toughest for the Year 12 students who are now in Year 13 and preparing to go on to tertiary education. Therefore, the cut-off mark for the TELS for degree level programmes will remain at 250 except for commerce discipline where it will be 280,

excluding accounting, economics and management or administration where the cut-off will be 300.

For TELS for the Skills Qualifications at FNU, the eligibility will be a Pass in Year 12, Certificate I or II from Fiji Higher Education Commission-recognized institutions or an offer Letter obtained from FNU.

Government will allocate **2,800** TELS for degree level programmes. Nursing will have 200 allocations and there will be an increased allocation for teacher training, ICT, environmental and marine science disciplines.

Skills Qualifications from levels 3, 4 and 5 at FNU will have 4,600 allocations. The Existing Employee Scheme will be expanded and re-branded as the Existing Employee and Entrepreneurs Scheme, with 100 allocations to fund both employees and entrepreneurs to obtain a qualification to the level of certificate, diploma and degree. So an entrepreneur running their own business can pursue an accounting certificate or a business management certificate, for example, that is vital to their business's growth.

Government will introduce two new schemes under TELS.

The first is a qualification upgrade that allows those who were never before funded by TELS, as well as those who have repaid their loans in full to the Bachelor level, to upgrade to the postgraduate diploma level. In addition, those holding a certificate or diploma — and who were funded by TELS— will be allowed to complete up to a degree programme to gain a competitive edge for employment if they are not currently working. 400 of these study loans will be available in the next financial year.

The second is a skills qualification for other tertiary education providers, including FNU and others. I've already stressed how important these careers are to the Fijian economy. In some cases, we have faced such a serious dearth in professions like tile laying that we've had to import skilled labourers. These are jobs that our people should be qualified to do and paid to do. This scheme will fund Skills Qualifications in these 'blue collar' areas such as Fitting and Machining, Automotive Body Works, Carpentry, Fabrication and Welding, Joinery and Cabinet Making, Plumbing and Sheet Metal, Refrigeration and Air Conditioning, Automotive Electrical and Electronics, Construction, and — yes — tile laying as well. 100 of these study loans will be available in the next financial year. The eligibility will be a pass in year 12, Certificate I or Certificate II from Fiji Higher Education Commission recognised institutions or an offer letter from the preferred eligible institution. Tertiary education providers, Nadave Centre for Appropriate Technology Development and Montfort Boys Town, who are not eligible for TSLs funding and sponsorship can now apply to be included, provided they meet all TSLs criteria.

In total, that makes for another 8,000 study loans. This criteria will also be published by TSLs in the TELS regulation and online.

We currently have \$581 million in outstanding TELS debt. FRCS and TSLs have recently signed an MOU to ensure that loans are paid as fairly as possible, and with the full cooperation of employers. We will be echoing specific provisions employed in New Zealand that obligate employers to notify TSLs on government-funded students recruited for employment.

We had announced previously an accelerated payment schedule for TELS recipients that would allow them to access huge discounts

of up to fifty percent on their repayments. After some discussions with the banks, we're pleased to announce that we can go further, as the banks, who we met yesterday, are willing to come forward to refinance loans for students so that they can take advantage of these discounts. Additionally, a 100% tax deduction will be available to companies on the amount of tuition and living expenses paid for students at a higher education institution specified in the Higher Education Act 2008.

Mr Speaker, this is a responsible and practical strategy that ensures the long-term sustainability of Fiji's education revolution. We are a young country, let's not forget. 70% of Fijians are under the age of 40. 65% of Fijians are under the age of 35. This young generation of Fijians will have families, and they will have children. It would cripple the nation financially to offer scholarships-for-all as we prepare to put these historic numbers of young people through higher education. It's not sustainable. Since its introduction, TELS has empowered over 50,000 students to access higher education they otherwise may not have been able to afford. We can empower hundreds of thousands more through the years ahead — provided we keep on the path of sustainability.

Free Education Grant

We are conducting a review to ensure that smaller schools in more isolated areas are getting equitable funding through the free education grant. We'll also grant more flexibility for Schools so that they can now use the free education grant to also make lease rental payments and cover insurance costs for school buildings — including fire and cyclone insurance.

Rural Transport Providers

The Ministry of Education engages more than 500 Rural Services transport providers who drive more than 34,000 students to school on a daily basis. These are small operators — many of whom regularly go beyond the call of duty to transport students in rural areas to their classrooms. The rise in fuel price has hit these folks hard. Therefore, in this budget we are increasing the current RSL Voucher by 36.3%. This increase is in line with the increase for bus fare and will help Rural Transport providers stay in operation and cover their costs. This is about our children going to school, Mr Speaker — all of them, everywhere in the country. And we thank these operators for the great lengths they go, literally, to make sure our education revolution reaches every corner of Fiji.

Sports Grants

Sport and education go hand-in-hand. Both require investment in people to reach their full potential. And this budget delivers on both fronts.

In the 2022-2023 financial year, the Government is allocating a total of \$6.9 million for Sports Grants that will support the development of sports activities in our communities.

\$1.9 million has been allocated to assist and enhance the performance of Fiji's national team through participation at regional and international tournaments. Funding in the new financial year has been prioritised for the following sporting activities: athletics, rugby union, netball, basketball, cricket, hockey and weightlifting.

\$79,500 has been allocated to support overseas training for elite athletes and technical officials. Funding in the new financial year has been prioritised for the following sporting activities: rugby league, swimming, tennis and yachting.

Regional and international tournaments are a huge source of economic activity for Fiji. Investments in bringing these events to Fiji pay back massive returns. \$2 million has been allocated to support the Hosting of International Tournaments in the new financial year. The Fiji National Sports Commission aims to host the following national sporting events: Australian Football League Fiji, Athletics, Basketball, Cycling, Football Association, Netball, Rugby League, Rugby Union, Squash, Tennis and Yachting.

A \$1.6 million allocation will ensure that promising elite athletes are exposed to intense high-level training required to participate at renowned competitions in order to better improve the country's ranking at world events. The funding will directly support the engagement of sports coaches in Football, Netball, Rugby League, Rugby Union and Yachting.

\$500,000 in funding will assist the Fiji National Sports Commission to develop sports programmes in rural communities to hone basic skills in a range of sports and identify clear career pathways for young people. Funding will cater for the following: sports community camp programme, train the trainer programme, educate the educator, children in community sports, inclusive sports programme and wellness sports programme.

\$200,000 has been provided for the engagement of local and international experts to assist in sports development in the country. The programme aims to support the training and development of local athletes and sports administrators to international standards in several sports for men and women.

Government continues to ensure inclusivity and equality by supporting sports, physical activities and development for people

with disabilities and special needs. The funding provision of \$60,000 in the new financial year will cater for the Paralympics, Special Olympics and special schools.

In the 2022-2023 financial year, funding of \$654,466 has been allocated to support the growth of minor sporting activities, including volleyball, netball, badminton and futsal. Funding has been allocated to support the construction of two hard courts in Kamikamica Park, Lautoka and Tataiya, Rakiraki; and the construction of two multi-purpose courts in Tuatua Housing, Labasa and Vunidawa, Naitasiri.

Mr Speaker, we have a young population as I have mentioned. 65% are below the age of 35 and 70% are below the age of 40 and these young people will have children so sustainability is key in the sporting area.

IMPROVING THE REACH AND QUALITY OF HEALTHCARE

Private GP Scheme

The pandemic forced us to innovate and implement a Free General Practitioner's Scheme — or the Free GP Scheme as it's become known — to allow Fijians who used to rely on the public healthcare system to seek consultations and treatment at private GP clinics, at government's cost. We did that out of necessity, but we've kept the programme because it works.

\$1.0 million is allocated for the Free GP Scheme in the 2022-2023 Budget.

An additional 23 GPs have been selected to provide free medical services to the general public.

With the inclusion of the additional 23 GPs, there will now be 38 private GPs (in total 40 outlets) throughout the nation, providing medical services to ordinary Fijians, with all costs borne by the Government. GPs have been selected in Korovou, Nausori, Nakasi, Nadera, Suva, Navua, Sigatoka, Nadi, Lautoka, Ba, Tavua, Labasa and Savusavu.

To remind everyone, as previously announced, the government-funded medical services on offer at these clinics include Consultations, Reviews, Referrals, Injections, and dressings, including minor dressings. We had added six new services on 20 June 2022 to the Free GP Scheme: Multi-urine Dipstick, Electrocardiogram (ECG), Nebulizer, Oxygen Supply, Ultrasound Scan, and the sugar prick test. Approved laboratory testing services under the scheme will provide testing for Sugar levels, Complete Blood Count; Basic metabolic panel; Cholesterol level; Glycated haemoglobin, Liver function; and Renal function.

As announced previously, to expand this innovative initiative's reach, another \$200,000 is allocated to incentivise Private GPs to establish new clinics in densely populated peri-urban and rural areas, including Nawaicoba, Malolo, Naidovi, Drasa, Sabeto, Seaqaqa, Dreketi, Nasarawaqa, Korolevu and Pacific Harbour.

Private Dental Practitioners Scheme

In the Revised 2021-2022 Budget, it was announced that Government would also engage private dental practitioners to improve the oral health of all Fijians, including school aged children, through government-funded access to private dental care.

There are currently four DPs under the scheme who provide consultation/oral examination, extraction, temporary filling, and permanent filling.

\$500,000 is allocated for the Private Dental Practitioners Scheme in the 2022-2023 Budget. This partnership eases the burden on public medical facilities and grants patients who used to depend fully on the public healthcare system access to high quality healthcare more quickly without waiting in long queues. This initiative is also an opportunity for dentists to grow their patient base and support the public health system in providing the necessary medical care to Fijians.

The Fijian Government in consultation with FijiCare is finalising the launching of a dedicated website for the initiative together with the Online Patient Information System which is expected to streamline necessary processes for the administration of the initiative. Through this online platform, GP's in the scheme will have access to all those patients seen under the PPP scheme. Necessary amendments to the Act and Regulations will be put in place for this.

We will also broaden the availability of medical and dental services by allowing medical and dental practitioners engaged under the PPP Scheme to prescribe, supply and dispense essential medicines for a 24-hour period, as approved by the Permanent Secretary for Health and Medical Services. This grants flexibility to patients - If I go to see a Doctor at night and I need medicine urgently and the pharmacy nearby may be closed or far away, the doctor can give me enough medicine to last me until I can go to a Chemist when it opens the next day. This is not going to upend the pharmaceutical centre but in fact provide essential services. Prescriptions at the clinic level will only be permitted when the

nearest pharmacy is closed, otherwise these operators will be fined.

The medicines that the medical practitioners will be able to supply and dispense include amoxicillin capsules, flucloxacillin capsules, ibuprofen tablets, paracetamol and oral rehydration salt, and the medicines that the dental practitioners under the PPP Scheme will be able to supply and dispense include ibuprofen tablets and paracetamol.

Private Medical Laboratories Scheme

We will continue to engage private medical laboratories for laboratory analysis on blood samples referred by GPs engaged under the Free GP scheme. There are seven laboratories currently engaged under this scheme. \$500,000 is allocated for the Private Medical Laboratories Scheme in the 2022-2023 Budget.

The engagement of these laboratories will ensure that GPs participating in this scheme have reliable access to affordable and high-quality laboratories, an essential component for the successful prevention, diagnosis and treatment of illnesses.

Outsourcing of Biomedical and Laboratory Services

In the 2022-2023 Budget, \$1.0 million is allocated for the outsourcing of biomedical facilities like x-ray machines, MRI scan machines, ultrasound machines and CT scanners including public health system laboratories and to be maintained and operated 24/7 by the private sector in public hospitals.

The reason is this: Experts in this highly technical sector are high in demand globally. When a public employee is poached, there is often no one who can be quickly trained to fill the role. Outsourcing this aspect of care makes us more resilient to staffing shortages and also grant us immediate access to the highest level technicians for even the most sophisticated devices. Overall, this move reduces costs, improves the reliability of services, and improves equipment performance and longevity.

Hospitals

We have three major capital projects earmarked for the Ministry of Health and Medical Services in the 2022-2023 year.

The first is Savusavu Hospital, which is one of the three sub-divisional hospitals in the Northern Division. It offers a wide suite of services, but the facility itself has been plagued by severe weather. Heavy rains combined with insufficient drainage have resulted in its rapid deterioration. In this budget, \$2 million will go towards engaging a contractor to begin the much-needed and frankly long-awaited refurbishment and land stabilisation works at the Savusavu hospital. This is great news for residents and for the future of Savusavu's local economy. Major investments in the area are putting our hidden paradise on the map — and quality and reliable healthcare is a pillar of Savusavu's sustainable tourism development.

The other two are the construction of the new CWM hospital maternity ward and the upgrade of the Labasa hospital interior works which have been delayed almost entirely due to the pandemic. It was impractical, if not impossible to manage major renovations while these facilities were the frontline of our COVID

response. While these projects have been delayed, they will still be delivered.

In the next financial year, \$5.2 million will go towards both projects. The Ministry will be completing the tender stage to engage a suitable contractor to initiate the planned capital works. This is good news for the North and for expectant mothers and families in our central division.

We procured a brand new Hyperbaric Chamber at CWM, which is used for emergencies relating to scuba diving — an important assurance for tourists who dive in our waters and the third of the Fijian population who rely on the sea. An allocation of \$120,000 for the final instalment has been budgeted for in 2022-2023 to make the final payment on the chamber.

GROWING OUR WAY TO RECOVERY

Fiji's farms have never been more productive — that is a fact. Agriculture is not in decline in this country, it is at record highs. In 2021 alone, crop production increased from **296,579** to **320, 806** MT or metric tonnes, an increase by **8.1%**. **One major driver of that growth is mechanisation.** Over the years, the Ministry of Agriculture has been supporting farmers through provision of farm machinery on a hired basis at a highly subsidised rate.

The hired rate for these machines including tractors, excavators, swamp and bulldozers and rice harvesters is at \$28 per hour across the board. This has furthered mechanisation, but the Ministry continues to receive daily complaints from farmers who are still waiting to be provided with farm machinery.

To help meet this demand, the Government will outsource the provision of machinery to farmers through a **\$7 million** allocation. Tractors, excavators, bull and swamp dozers, and harvesters, will be hired out to farmers on a 50:50 basis.

Stepping up mechanisation — and therefore agricultural production — allows us to seize on market opportunities, especially in niche areas, like turmeric. We expect this assistance will also support farmers who have engaged in Horticultural crops, Root crops, Pulses, Turmeric, Kava, Rice and livestock.

Speaking of livestock, as announced in the Revised 2021-2022 Budget, the Fijian Government will be assisting Commercial Livestock Farmers to raise farm productivity to improve the competitiveness and overall sustainability of the Livestock Sector. \$350,000 is allocated in the 2022-2023 financial year for SELF — which is targeted support for large-scale livestock farmers who have traditionally not received government support. This direct assistance to purchase additional livestock will allow commercial livestock farmers to achieve the scale necessary to better support local demand and export livestock to foreign markets. In the long-term, this will produce higher quality meats, embryos and other animal products at lower prices.

Under this assistance, livestock farmers can receive a grant up to \$10,000 towards the purchase of cattle, pigs, sheep and goats including purchase of water tanks, and fencing materials.

Establishment of Para Veterinary Clinicians.

Antimicrobial resistance is an increasingly concerning global health issue affecting people and livestock. Essentially, bacteria are

becoming more resistant to the tools we have long relied on to fight them. Fiji in this case, lacks the access to qualified veterinarians who can treat these resistant strains of bacteria. We are doing amendments to the Veterinary Surgeons Act to allow for the local graduates to be registered as Veterinarians. In the interim, we are making provisions for those with Bachelor of Veterinary Science to be registered as para-vets and provide services in animal health and production.

So we'll be calling on para-veterinarians to take a lead role in providing veterinary services directly to livestock farmers in Fiji. We will establish para-veterinary clinics where registered para-vet will work with farmers to maintain animal welfare, health and hygiene. They will know how much to administer to the animals and they can set up their own businesses.

In this case, students who have graduated with a Bachelor of Veterinary Science can undertake a five-day Para vet course provided by the Ministry of Agriculture and immediately register with the Ministry to establish their clinics. Concurrently, the Ministry has provided for an intensive six-month qualifying course and training to register these graduates as full Veterinary Officers once they pass a qualifying exam.

Assistance to Public Enterprises

Government will continue to support the Agriculture sector through our various Public Enterprises. Government has allocated a capital grant of \$323,150 to the Yaqara Pastoral Company Limited (YPCL) as two-thirds contribution for the purchase of a new excavator that will allow the company to construct observation points in the

mountainous area at Yaqara and boundary fences to control the movement of livestock.

Fiji Coconut Millers has been provided with \$420,750 to support its replanting program and farm cleaning with rehabilitation. With the new farm cleaning initiatives, FCML has identified 20 farmers with a combined land area of 50 acres to be assisted at a cost of \$4,500 per acre. It is expected that \$245,000 will be used for this purpose and the remaining funds will be used for coconut replanting.

Fiji Rice Limited has been allocated \$1.3 million in the 2022-2023 financial year for the purchase of paddy from farmers. This subsidy ensures that rice farmers will be paid upfront when supplying paddy to the rice mill at Dreketi in Vanua Levu.

Government has again provided \$1.2 million to Food Processors Fiji Limited to undertake critical infrastructure upgrades for the factory, improve its farm at Batiri and subsidise the purchase of agricultural products from farmers.

The Fijian Government commenced the “Stronger Together” Job Support Scheme in 2020/2021 to incentivize employers to create employment for out-of-work Fijians. To date, \$2.6 million has been spent to help 85 employers hire 2,453 Fijians. Employers assisted through this initiative include pharmacies, manufacturing companies, hotels, construction and security companies.

In 2022-2023, \$2 million has been budgeted to enable the employment of at least 1,500 out-of-work Fijians. Applications for the Stronger Together Job Support Scheme are open to employers in the private sector, public enterprises, registered NGOs and municipal councils.

Mr. Speaker Sir, we will also be amending the Illicit Drugs Control Act 2004 to pave the way for the establishment of the industrial hemp export industry in Fiji. We've spoken about this in the past and we've taken the time to ensure that we get this right. We have also been speaking to the United Nations about this. Industrial Hemp is a lucrative and largely untapped resource in the global economy due to misconceptions about what it really is. Hon. Speaker, industrial hemp is not the same thing as marijuana. It contains a very low level of THC and wouldn't make anyone 'high' regardless of how much is consumed.

However, the trick to getting this right is to ensure that we only import and cultivate industrial hemp, with THC levels below 1% and as such our amendments will be to that effect. We will also amend the Customs (Prohibited Imports and Exports) Regulations 1986 to make industrial hemp a conditional import item under Schedule 2 of those Regulations. Industrial Hemp will only be allowed into the country for the purposes of cultivation and export once independent laboratory testing confirms the THC content is below 1%.

We have been working closely with the United Nations Office on Drugs and Crime to arrange for the FNU Agriculture School to grow these industrial hemp seeds. Once we have those in-hand, we will distribute those seeds to the farms, whether in Kadavu or anywhere else in Fiji. We plan to source these seeds from Canada, which has some of the highest quality hemp in the world.

Phasing Out Duty Protection for Fiji Dairy

Rewa Dairy has had duty protection for 10 years, allowing it to grow into the company it has become. We thank the Southern Cross Foods who bought Rewa Dairy in those days – now called Fiji

Dairy. They had a large debt-stock and they bought the debt-stock out when they bought the company. Most of Rewa's supply of milk and other dairy products is being imported, because local demand far exceeds the supply capacity from the local dairy industry. This will come to an end on the 31 of August 2022.

The duty will be reduced from 32% to 5% after expiry of the agreement on cheese, yoghurt, and liquid and powdered milk. The protections have benefitted them and that was part of the deal of the purchase – and we thank them for the purchase and for bringing the industry to where it is today. And I'd like to recognise Sandeep for his momentous and forward-looking thinking. Unfortunately he is no longer with us. (...Sandeep Patel). Overall, this should bring about competition for the supply of dairy products and lower prices for ordinary Fijians.

And finally, Mr Speaker, I want to assure our cane growers that sufficient funds have been allocated to the Ministry of Sugar to ensure the Guaranteed Cane Price of \$85 will continue in this financial year.

THE CIVIL SERVICE

Mr Speaker Sir, the game plan developed for our recovery would have remained a plan were it not for civil servants. Their effort and energy made it reality. We never cut their salaries, despite political pressure from our opponents. And we have no plans to ever do so. That is a promise they can believe.

We have some important changes, benefits and reforms to announce this evening.

The Job Evaluation and Civil Service Remuneration Guideline will be amended to expand the definition of scarce skills to facilitate the inclusion of the payment of retention Allowance for skill sets that exist in competitive markets for high performing staff. Work on this will be finalised soon and subsequently announced.

As announced in the revised Budget, the suspension of the payment of Maritime Location Allowance was lifted while a review of Rural Allowances was to be undertaken. The review has since been completed and from 1 August 2022, Rural Allowances will be reinstated for eligible civil servants at standardised rates across Ministries and Departments.

School-based staff have always had alternative leave arrangements to the wider civil servants, given the need for face-to-face contact with students and of course they have school holidays. From 1 August 2022, school based teaching staff will be allowed three days of annual personal leave with the approval of their Heads of Schools and/or the Divisional Education Offices as they do have matters to attend to themselves.

Work-life balance isn't a luxury, it's a necessity. Our civil servants are not only civil servants. They are wives and husbands, they are mothers and fathers who need quality time at home. To align to international best practice, the amount of annual leave that can be carried into a new leave year within a valid contract period will raise from 10 to 12 days; depending on the operational context of the Department or Ministry, flexi hours may be considered by the respective PS.

We recognise the high demand for our nurses overseas especially in Australia and New Zealand evidenced by the high turnover experienced by the Ministry of Health and Medical Services. To address this, the Ministry of Health and Medical Services will work with the Fiji Nursing Council to identify additional specialised areas of nursing to allow the Ministry to remunerate these specialisations accordingly. The payment of transport allowance will be prioritised for those in public health care nursing in rural areas.

Nursing quarters will undergo a stock take with the intent to upgrade in the new financial year. The Ministry of Health and Medical Services will also review the position of ward assistants and engage additional ward assistants to provide support to nurses in hospitals and allow them to focus on patient care.

Midwives have been a scarce skill in Fiji for some time — and we've taken steps to invest in higher salaries and increase training opportunities to ensure we have enough midwives in the country. The nature of this work requires midwives to operate on call to assist birthing women— after all, you cannot predict exactly when a baby will be born. Of course, many of us have children – I have three of them. The Prime Minister has many children and many grandchildren. All of us have children or grandchildren and we know this. In order to compensate midwives for the unpredictable, and often, very late or early hours they are required to serve, we are introducing a call back allowance, which essentially compensates midwives for the additional hours they work.

We do not forget our allied health care workers. The payment of overtime allowance will be extended to all our professionals in the allied health cadre on Band F. This includes: Dietitians, Nutritionists, Environmental Health Officers, Physiotherapists,

Medical Laboratory Technologists, Medical Imaging Technologists, Pharmacists, Oral Health Officers, Dental Officers and Biomedical Engineers.

Our teachers also deserve greater certainty in how they get paid. We acknowledge that teacher remuneration arrangements have changed a number of times in the past five years which have led to inconsistencies in the way teachers are remunerated.

Degree level teaching positions have been evaluated at Band F, similar to other positions across the civil service. Currently, 1295 teachers have upgraded their qualifications to a relevant undergraduate degree and moved to Band F, with an additional 121 applications expected to be processed.

From 1 August 2022, teachers who are eligible to be on Band F, will transition to Step 3 of Band F. This will also apply to newer graduates with relevant qualifications. This is to allow for some consistency in the pay of teachers.

Teachers on Bands D & E on shorter term contracts will be provided with five-year contracts to allow them time to upgrade their qualifications so they can move up to higher bands and earn themselves a pay rise.

It is our duty to take the lead in building effective, accountable and inclusive institutions at all levels. We began the process several years ago when our government prioritised open-merit recruitment and implemented guidelines based on good government principles. That effort continues.

A new Customer Service Guideline was approved and circulated to all Ministries and Departments earlier this month for

implementation. There are many specific ways we're asking for a higher level of service. Not the least of which requires that all civil servants refer to the people they serve as Mr, Mrs, Madam or Sir.

As part of the implementation, we launched a customer service feedback line. The 157 toll-free number now allows anyone in Fiji to provide feedback or submit a complaint related to customer services they have received at any government ministry or department and will also serve as a feedback loop that will contribute to the performance assessments of staff, and of the respective Ministries and Departments.

The feedback we receive on the toll-free number will inform an announcement next year of the Top 5 service-driven ministries and departments. We won't only tell the people where we're doing well. In the interest of transparency and accountability, we will also announce the poorest-performing ministries and departments as it relates to customer service, so that the people know exactly where the government will be most focussed on making improvements.

Civil Service wide training on Improving the Customer Service Experience has begun and will be incorporated into induction programmes and our online learning module, and will be available for all civil servants, from junior levels, to Deputy Secretaries.

Another implementation tool to measure success and ensure that the customer-government feedback loop is working, a Mystery Shopper scenario will be implemented as a measurement tool. This will involve a small group of people visiting different ministries and departments anonymously, to check on the quality of customer care services. They will assess generally how well customers are treated and served by the members of the civil service—including

how long people are left waiting, how thoroughly they are assisted, and how politely they are spoken to.

Once sufficient baseline information is collected and used to improve processes, we will launch the Customer Service Awards at Ministry and Department level, and at individual level. Using evidence based assessment tools, these awards will acknowledge the dedication and hard work that civil servants put in to improve their services to the Fijian public.

Mr Speaker, we have to ensure the civil service not only serves the people but make the most effective use possible of the people's resources. In the next financial year, the Ministry of Civil Service will lead a right-sizing initiative across the civil service. We'll start by reviewing vacant positions in a selection of ministries and departments to identify positions that are not required. These unnecessary positions will be re-allocated to ministries and departments with more urgent and pertinent staffing needs before the end of the second quarter. The Ministry of Economy will work closely with the Ministry of Civil Service to fund the reallocation and right-sizing as it progresses. Mr Speaker, this effort essentially ensures that the civil service won't become unnecessarily bloated and remains as lean, mean and efficient as possible.

Lastly, on the subject of the civil service, we will be restoring the ten percent pay cut we asked of all of our Permanent Secretaries throughout the pandemic and any voluntary pay cuts taken by the Heads of government funded agencies from 1 August 2022. Independent bodies that voluntarily took a cut – they can have that restored and even backdated depending on the board or that particular commission. Ministers, Assistant Ministers, and MPs will remain on 25% reduced pay.

Mr Speaker sir, while I won't detail every expenditure by each Ministry and department in government — that can be found in the budget supplement documents — I will review some important highlights.

FICAC

Number one, and most importantly, we are stepping up funding to FICAC. We've uprooted a culture of corruption that has plagued our society since independence. Fiji today is one of the least corrupt countries in the world.

In the 2005 Corruption Perceptions Index, before this Government came into power, Fiji only scored 40 points out of 100 and ranked 55 out of 159 countries, placing us among the middle third of nations. According to the report, that indicated serious levels of corruption within the country.

In the 2021 CPI, Fiji scored 55 points out 100 and ranked 45 out of 180 countries. Fiji came within the top third of the countries that scored above 50 points. In another report, the Global Corruption Barometer- Pacific report of 2021, the Corruption in Electoral Process was one of the key focus areas. Fiji was found to run one of the cleanest electoral processes in the Pacific.

That is our record and it is backed by credible and impartial analysis. Those who crow about Fiji becoming a more corrupt country under our leadership are those who were the most corrupt of all. Their actions speak louder than their politically-motivated winging.

Two opposition parliamentarians were recently convicted of Obtaining Financial Advantage through fraudulent conduct. These

people broke the law, and they were found guilty in a court of law. Did the opposition or the political opponents condemn their actions? No. They released statements praising them.

That is the ugly face of a deep seated culture of corruption that remains in Fiji, Mr Speaker. A culture that prioritises certain personalities over the rule of law. A culture that sees some people as untouchable and above the rest of us; even above justice. A culture that lurks beneath the surface of our just society, waiting to re-write the rules in its favour.

If they could even be bothered to pretend to care about democracy and the rule of law, the opposition should have condemned the corruption of its members the minute they were found guilty in an independent court of law. Instead, they tried making them out as martyrs. That has become their standard response — no matter how serious the claim, or how provable the charges, they do worse than tolerate corruption — they make heroes out their worst offenders. That should serve as a warning to everyone about what they would do if they ever assumed power, Mr Speaker, because the only thing worse than corrupt individuals are their appeasers – those who stand by and let it happen. So long as this culture remains, our commitment to root it out will keep ramping up.

This budget funds a National level strategy to strengthen the fight against corruption in Fiji. FICAC has already started the process of creating the necessary framework with the assistance of United Nations Development Program (UNDP) and United Nations Office on Drugs and Crime (UNODC).

Land Transport Authority of Fiji

In the 2022-2023 Budget, the Land Transport Authority will be allocated a total of **\$22.4 million**. **\$800,000** is specifically for the

Implementation of New Integrated Information Technology, which would enable customers to access most services online—one more step towards the transformation of Digital Fiji.

To assist in the payment of overloading and other fines, the Land Transport Authority (LTA) will allow individuals and companies to pursue a payment plan option in line with strict conditions. Upon payment of the first instalment, normal transactions will be allowed and the vehicles will be released from any freeze on transaction. This will allow individuals or companies to continue using the vehicles for their business purpose and still meet their fine payment obligation. To be clear, this is only for past infractions — it is not the policy moving forward.

In order to better monitor and protect our Fijian roads, there will be restrictions placed on commercial vehicles moving into residential areas. The Municipality and Fiji Roads Authority (FRA) in collaboration with LTA will determine the gross combination mass and dimension allowed for commercial vehicles entering residential areas. This is less about preventing disruption, these roads simply cannot handle the stress of such heavy vehicles. The Regulations are being amended and will come into effect from 01 August 2022.

Maritime Safety Authority of Fiji

In the 2022-2023 Budget, the Maritime Safety Authority of Fiji will be allocated a total of \$7.4 million, of which \$5.9 million is for operations and \$1.5 million is for capital expenditure. \$1.1 million is allocated to reconstruct the damaged lighthouses—at Suva Harbour North East, Pinda Reef and Beqa South West Reef—in order to meet the standards of the International Association of

Marine Aids to Navigation and Lighthouse Authorities and keep our coastline safe for vessels.

The Authority put a proposal for salary increments due to current impediments affecting the organisation's operations and deliverables. The Authority has suffered operational losses as a result of a lack of manpower in various departments, high attrition of senior officers and management, which is a direct result of lower remuneration, insufficient resources and lack of funding for specific activities.

Through the 2022-2023 Budget, a 10 percent increment for 51 technical staff - \$183,311.80 has been agreed to and provided. The remaining 10% to meet the 120 percent Median Quartile to be implemented in the 2023-2024 financial year.

The Government has approved a total budget of \$211,430 for five (5) individuals to be selected by the Authority to undertake the full 2.5 years course till Class 3 certification.

Republic of Fiji Military Forces

The Republic of Fiji Military Forces (RFMF) total budget for the 2022-2023 financial year is \$94.1 million. This is an increase of \$8.0 million from the Revised 2021-2022 Budget. \$5 million is allocated to correctly align the lodging allowance and service allowance to the current basic salary of 2,396 RFMF officers. At the moment, these officers are being paid allowances based on their 2013 basic pay.

\$400,000 is also provided for the Remote Location Allowance for engineers who are engaged to build and maintain rural projects

such as Rotuma hospital, Kadavu foot bridge, Lakeba suspension bridge and Bua Lomanikoro foot bridge.

\$2.3 million is allocated for the renovation and upgrade works at RFMF facilities, including renovation and upgrade of RFMF infrastructure, construction of a new warehouse at QEB, upgrade of the Logistic Support Unit Complex, upgrade of Sukanaivalu Barracks in Labasa and the upgrade of Nadi Camp.

Peacekeeping Issue

We are allocating a total of \$50.8 million for Peacekeeping Operations, which is an increase of \$5.5 million from the Revised 2021-2022 Budget. The officers deployed for peacekeeping operations were also paid allowances based on their 2013 basic pay rate, and \$800,000 is provided to realign the Lodging and Service allowance for 543 peacekeeping officers on the current pay. \$3.5 million has been allocated to meet salaries and allowances of the peacekeeping officers as aligned to the payroll. Additionally, \$3 million has been allocated for military training and equipment, which will be reimbursed by the United Nations.

Office of the Auditor General

The Office of the Auditor-General is allocated **\$5.8 million** in the 2022-2023 Budget. This is an increase of \$0.9 million as compared to the revised 2021-2022 budget. **\$650,000** is to address the backlog of audits. The Office is planning to engage major auditing firms to complete 99 pending audits languishing in the Auditor-General's office outlined for the 2022-2023 financial year.

Parliament

Parliament is allocated **\$8.6 million** in the 2022-2023 Budget. This is an increase of \$1.5 million as compared to the revised 2021-2022 budget to cover the operational cost of political offices and the addition of four seats, to 55 from the current number of 51 members.

Office of the Prime Minister

The OPM is allocated \$16.9 million in the 2022-2023 Budget, an increase of \$2.1 million from the revised 2021-2022 Budget. The major increase includes an additional \$2.9 million provided to the Department of Immigration. As you know the Department falls under the Prime Minister's Office.

\$1.3 million is allocated to procure the ePassport booklets to improve the security of Fiji's passports. With the opening of our borders, the Department expects to issue 300 passport booklets per day to meet demand and expects to exhaust its supply of 42,000 booklets in the next 6 months.

The ePassport system is up and running, and to ensure its effectiveness and continuity without any disruption, the Department is also allocated \$2.0 million to undertake the "Disaster Recovery for ePassport Project". The project will reduce the damage or disruption to the system and allow quick recovery in the event of a disaster that leads to system failure. It will also act as a backup system to protect the data in the ePassport. This ensures that Fijian passports will get more readily accepted in other countries and

hopefully give our people, Fijian people, access to more visas-on-arrival.

Fiji Police Force

Fiji Police Force is allocated \$182.6 million — a slight reduction of \$3.2 million from the Revised 2021-2022 Budget resulting from the near completion of three new Police Stations, in Nadi, Nakasi and Lautoka. Those three stations, plus the new station at Nalawa, will be allocated a total budget provision of \$10 million, a reduction of \$14.5 million. This will expand the reach of police protection for Fijians living in the central and western divisions.

Crime is changing, and our policing must change with it. The Force is increasingly focused on preventing cybercrimes and combating drug trafficking. In order to reform itself to better address these emerging threats, the Force is undergoing a major Reform and Restructure programme, first announced in 2018.

The Force will now continue with Phase 3 of their five-year Reform and Restructure programme, which was endorsed by Cabinet in 2018. The programme was halted for the past two years due to COVID-19 and after Phases 1 and 2 were completed at a cost of \$68.3 million. The Force will commence Phase III of the R&R, with the Government providing an additional \$4.2 million for the recruitment of 331 new positions. This includes 289 new recruits, 15 promotions, 7 new civilian positions and 20 new government wage earners.

To ensure that Fiji Police Force is fully equipped to provide the best possible service, Government will also be providing \$4.9 million for the procurement of Uniforms, Uniforms accessories, Clothing and footwear.

After some years of focus on constructing new police stations, we are now shifting our focus to improving the condition of the police quarters and posts, with an initial allocation of \$1.5 million . The Force is also allocated \$1.2 million under Head 50 to assist the Fijian Elections Office to conduct the 2022 or 2023 General Elections.

Supporting the Superyacht Industry

To make Fiji more competitive with other tourist holiday destination, we are amending the Superyacht Act and reducing the charter fee from USD 55,000 to USD 30,000. We are also amending the definition of superyachts from the minimum length of 24 metres to 18 metres which will mean more superyachts chartering in Fiji waters.

NATURE-BASED GROWTH

Ministry of Forestry

The Ministry of Forestry has been allocated an increased budget of \$17.7 million, of which \$3.3 million will be used to facilitate the large-scale planting of trees to continue Fiji's *30 Million Trees in 15 Years* initiative. Since its inception in 2019, Fiji has put over 12 million new trees in the ground through this commitment. The allocated budget will provide technical support in terms of seed sourcing, seed supply, nursery and silviculture practice training and

direct incentives for landowners to establish and manage their own forests

In line with this objective, \$500,000 is being allocated for research into developing new forest products that can increase economic opportunities for resource owners, and cottage industries in the sector. This funding will support in-depth studies of identified tree species, trial tests, specialised equipment as well as collaboration and consultation. This is part of the diversification programme for the forestry sector.

The Maritime Pine Development project is intended to provide a return on investment for pine grown decades ago in the maritime islands. Government has allocated \$700,000 to assist resource owners through the provision of appropriate harvesting machines and equipment with the capacity to economically harvest, process and market their mature Pine trees. Specifically, resource owners will be able to use their own timber to build cyclone resilient houses and market the surplus to generate revenue and elevate their standard of living.

Fiji is committed to the global objective of reducing carbon emissions and enabling carbon trade through the protection of its extensive forest resources. The Ministry of Forestry will receive \$350,000 to complete the National Forest Inventory, which is an accounting of Fiji's forest resources and an essential reference for decision making on the sustainable management of our forests, including carbon trading.

Breeding of Beach-de-mer, Kawakawa and Donu

Sustainable fisheries are a fixture of our vision for a bluer Fijian economy. We are steadily introducing sustainable harvesting

regimes to manage the health of vulnerable marine species in Fiji. We have lifted the five-year ban on Beche de mer in favour of a set harvesting window. As we explore managed harvesting of other species, we are simultaneously strengthening the science behind culturing these and other high-value species to support sustainable income sources for coastal communities, the businesses involved in both domestic and export sales, and to our national economy.

Specifically, the sustainable measures for the Beche-de-mer fishery include allowing only the customary fishing right owners to be licensed to harvest, implementing a fair and transparent process for the selection of traders and exporters, allowing only the non-Convention on International Trade of Endangered Species-listed species to be harvested, setting size limits, and limiting the harvesting and trading periods to only two and four months, respectively.

Nature-based Jobs

Jobs for Nature 2.0 is one of several initiatives that government is backing in the area of green jobs. Jobs for Nature 2.0 gives approximately 10,000 Fijians the chance to generate an income while at the same time contributing to mitigating climate change impacts.

The Project is expected to pay the minimum wage rate to the public works participants who will have the opportunity for short-term work on wetlands protection such as mangrove and seagrass planting; restoring waterways; riverbank rehabilitation and coastal bank protection, including vetiver grass planting; enhancing biodiversity through forest restoration, native tree planting and coral reef protection and planting of indigenous fruit trees, etc. There will also

be employment opportunities in waste and wastewater management.

The Fijian Government with concessional funding from the World Bank will provide a total of \$7.6 million to back the initiative; which involves a variety of stakeholders, including the respective Ministries.

EASE OF DOING BUSINESS

Mr Speaker, let me quickly run through ways we're making business easier in Fiji as we prepare for a private sector-led stage of our recovery. We're leaving no stone unturned to ensure certainty for the private sector.

Immigration

We recognise that immigration laws and processes need to be continually updated to enable us to keep pace with a rapidly evolving world. We need fast and simple mechanisms that allow us to remain a competitive investment destination. To assist with ease of getting specialized expatriates for short term work assignments or those who wish to visit or provide consultation services to businesses, effective from 1 August 2022, business visas will be granted on arrival for citizens of certain countries that have visa free entry to Fiji, we will start with Australia, New Zealand, Singapore and the United States. The business visa on arrival will be valid for 21 days.

We are also modernising aspects of the immigration system to better recognise COVID requirements for entry and remove red tapes and additional processes regarding permit processing. Permit conditions will now also apply to persons in a de-facto relationship with them, as well as their parents and guardians or family members. We are lowering the age of a child, for immigration purposes, from 21 years to 18 years. We are also looking at introducing new categories of permits and revising the fee structure charged by the Department.

Starting a Business and Obtaining Construction Permits

Over the past five years, we've stripped away unnecessary requirements and fees for business registration, fast tracked approvals, and increase the validity of licences, saving businesses immeasurable time and at least \$3.5 million in direct cost savings according to the World Bank.

The bizFIJI Portal contains a simple and consolidated guide on how to start a business and obtain construction permits. Now we have an important update — bizFIJI 2.0 project — which is led by the Ministry of Communications and the Ministry of Commerce, Trade, Tourism and Transport. \$9 million is allocated for the implementation of a centralised online application and approvals system for Starting a Business and Obtaining Construction Permits process. Over the next 22 months, we will see the rollout out of 25 digital services across 16 different agencies.

To ensure a seamless online transition for the construction permit acquisition process, amendments will embed the requirements for Qualified Persons into the Town Planning and Subdivision legislation for the first time. Qualified persons, such as engineers, architects, surveyors, etc. will be clearly identified and referenced in law to assist in the streamlining of their registration process. This will lead to improvement in the quality-of-service delivery. Plus, increased accountability and responsibility of those involved in the construction industry.

The Ministry of Forestry has implemented online licensing for the export and import of timber and forest products, which has reduced turnaround time to within 24 hours for approvals. The online application for logging licences now enables licences to be issued within 48 hours. This budget will continue to support the Ministry's

ongoing digitalization transition in support of the sustainable management of our forest resources.

Insurance agents used to apply annually for licences — those agents can now apply for licenses for a maximum period of five years – this will be amended through this budget. The same will go for sand and gravel extraction licences. The terms of fishing licences will now be aligned to those legally allowed for fishing permits which is up to three years upon approval of the customary iTaukei owners.

We announced a working group with the TLTB, the Ministry of Lands, Department of Town and Country Planning and the Ministry of Economy in the mini-budget to work on improving survey processes. The agencies were provided with additional resources and have been working diligently on clearing backlogs and reducing inefficient internal processes. As previously indicated, on 1 August 2022, all new surveys for iTaukei land can be tracked online. Furthermore, all members of the public from 1 August 2022 will have free access to the Vanua GIS system for all users (without fees) – anyone can check the Vanua view system, making this valuable information more accessible to the public. The Ministry of Lands will also enable chartered approved survey plans to be viewed online via the Vanua View platform, and scanned plans will be freely available on the Ministry of Lands website. This expands access to information that is good for investment and good for sustainable development and democratizes information.

Roads infrastructure has been the most costly part of developing rural lots and subdivisions; and Land development costs to meet subdivision design and standard requirements have become a

stumbling block for development, especially for ordinary Fijians living in the rural areas. In consultation with the inter-agency working group, the Fiji Roads Authority will soon finalise specific standards for rural subdivisions, thereby reducing costs and allowing more Fijians to acquire land for housing purposes in deep rural areas.

The financial limit for obtaining Tax Clearances will be raised from \$5,000 to \$10,000. It was raised from \$2,500 to \$5,000 and now has gone up to \$10,000. This excludes payment for services. This move will benefit banks, businesses and individuals as it significantly reduces the number of small transactions requiring clearance. Blanket tax clearances are also easily available for larger and more regular transactions.

Mr. Speaker Sir, Government will increase the FNPF employer and employee contribution from 6% to 7% from 1 January 2023 through 31 December 2023. For more than a year now, FNPF members' accounts have received contributions at a lower rate. This 1% reversal for both employers and employees should credit \$40 million dollars to members' accounts. Government will gradually revert the contribution rates to a total of 18% in the coming years.

Any employer who chooses to contribute more than the 7% statutory mandatory contribution, up to 10%, will be allowed to deduct 300% of the employer-additional contribution from their taxes, while the additional income in the pocket of the employee will be exempt from income tax.

To support female entrepreneurs in MSMEs we are providing \$1 million to the Fiji Development Bank Women Entrepreneurs Loan Package. The Women Entrepreneurs Loan Package will target

Women entrepreneurs with registered businesses in operation for a minimum of six months who require working capital or need to expand their existing business. The package will allow a minimum loan of \$1,000 to a maximum of \$5,000 with a loan term of up to three years which will be available to sole traders, joint ventures, and partnership businesses on its own or those that provide services to other industries. The 10% equity required for loan packages will be provided through this \$1 million allocation and will greatly support female entrepreneurs' access to financing.

This budget is an important opportunity to enact policy. It is not the only opportunity. Our ears are open to businesses of all sizes, micro, small, medium and large, as they always are and we will remain flexible to develop joint solutions to every serious and unforeseen challenge facing our recovery. We will steadily be introducing other legal and procedural changes to create the most efficient and least bureaucratic environment possible for our businesses to thrive and our individual citizens to enjoy. Our golden rule will be that every process must serve a purpose other than simply creating a bureaucratic role.

LONG-TERM RECOVERY PATHWAY POLICIES

Mr Speaker sir, we have not played around with taxes through the pandemic. And we won't play around in this budget either. We are only making two tax changes in this budget, one for motor vehicles and one to re-align the corporate tax rate for international headquarters and companies listed on the stock exchange.

We are keeping our regime lean, mean, streamlined and focussed on making Fiji the region's most competitive investment and business destination. Not for one year, but over a multi-year period. There will be no other changes to the taxes that were removed and

reduced such as ECAL, STT, Stamp Duties, Departure Taxes, the removal of 20 cents fuel duty, the VAT zero-rated items and the large-scale reduction in custom duties. Combined, these tax cuts will save Fijians around \$600 million per year. It is our promise to the private sector that these taxes will remain at these low rates or lower for the next three years. That is our bond to you because you are who must hire, invest, and drive this recovery.

What we ask in return is that you pass these savings onto customers, including our visitors. I know the price of wheat is rising — but there is no need to be charging \$12 for a stubbie anywhere in Fiji. We need to take a long-term approach to sustain profits rather than squeeze people for everything they're worth once they are at our shores.

Employment Taxation Scheme

The employment taxation scheme, currently set to expire in 2023, will now be extended till 31 December 2024. The scheme provides a 300% tax deduction of the amount of any salaries or wages paid for first-time employees, a 300% tax deduction of the amount of any salary or wages paid to a student for employment before the student's graduation, where the employment forms part of the student's course requirements of a higher education institution, a 300% tax deduction of the amount of any salary or wages paid to a student for employment of the student in an area related to the student's area of study and a 400% of the amount of any salary or wages paid to a person with a disability for a consecutive period of 3 years.

A 300% tax deduction will also be extended for wages and salary paid to persons for apprenticeships.

Corporate Tax Rate

The Corporate Tax rate, applicable to companies relocating their global or regional headquarters will be increased from 17% to 20%. This will be effective from Tax Year 2023. The 10% reduced rate of Corporate Tax available to companies listed on the South Pacific Stock Exchange will only be available for 7 years. Companies that have enjoyed the reduced rate for 7 years or more will now pay the corporate tax at the rate of 20%.

Vehicle Duty Increase and the Promotion of Electric Vehicles

Our commitment is to prevent taxes from becoming a burden on businesses. That said, a smart tax regime relies on incentives to drive business and consumer behaviour. We are making moves to become a less carbon reliant and more energy secure society. That won't happen overnight. But those steps can't wait.

We'll be enhancing the Electric Vehicle Charging Incentive with a lowered minimum investment threshold of \$50,000 from \$100,000. The subsidy will be increased from 5% to 10% on capital expenditure incurred in the development of electric vehicle charging stations. We will zero-rate VAT and Duty on all Electric Vehicles and allow accelerated depreciation of 100%. Individuals and businesses that purchase vehicles or more will receive a \$10,000 cash rebate per vehicle. Additionally, 100% accelerated depreciation will be allowed for businesses purchasing electric vehicles.

We will also increase the import duty on passenger cars to \$1000. Import duty on new passenger cars will be increased by 5%. We

are also introducing a luxury vehicle tax of \$10,000 per vehicle for vehicles above 3000cc. A 5-year age limit will be imposed on the importation of second-hand petrol- and diesel-powered motor vehicles. This will align with the current 5 year age limit on hybrid vehicles; and the Euro IV compliance requirement continues.

To help provide alternatives to diesel generators in rural and remote communities and support the rural electrification program, the duty on Liquefied Petroleum Gas (LPG) will be reduced from 4 cents per kg to 2 cents per kg. The reduced duty will be applicable on LPG supplied for power generation and autogas only. This will be administered as a drawback facility.

Capital Gains Tax

Effective from 1 January 2023, Capital Gains Exemption on gains made by a person on disposal of shares will be limited to resident individuals and Fijian citizens only. CGT will be exempted on Repurchase Agreements (Repo Transactions) administered by the Reserve Bank of Fiji.

Extension of project completion time provisions will be incorporated under the Standard Allowance incentive.

The Residential Housing and Development Incentive Package will be further incentivized as follows: Another tier of incentive will be available with a minimum investment requirement of \$5 million with at least 10 residential units. There will be no condition on the sale price and the investor will qualify for 50% developer profit exemption. Moreover, they will enjoy Customs concessions such

as zero duty on the importation of capital goods including capital equipment, plant and machinery, and other goods.

Hon Speaker, we have one last tax amendment. The 150% tax deduction available to restaurants, taverns, hotels and resorts that hire local artists such as craftsmen, dancers and musicians will be increased to 300%. We want the hotels to hire performers from the local villages and they can claim 300% tax deduction.

When we first announced this policy in the 2020-2021 National Budget, during the period when our borders were closed, I mentioned that “Gimme Hope Joanna” was the theme song for our present situation and future recovery. I hope, in the next financial year, we can hear some renditions of “I Will Survive” by the great Gloria Gaynor. Because we have survived, my friends. Our economy is no longer chained-up by pandemic restrictions — and now we will thrive.

Conclusion

In the darkest and most uncertain days, you asked us, ‘what comes next?’ and we answered by locking in this course for a comeback.

Mr Speaker, on behalf of our Prime Minister who led it, the civil servants who supported it, and the Fijians who depended on its success, I am proud to say that our national recovery is the most important promise that we have ever kept.

This is not a crisis budget. It is a confidence budget because that is what Fiji needs in this moment. Neither is this an election budget — this government does not need one, because we have a strong record of recovery we are proud to run on. We have taken the economy from the depths of its worst ever crisis to its greatest year

ever of growth on record. COVID put us in this situation; we took ourselves out of it.

This budget is compassionate. It is sensible. It is disciplined. It is the budget the nation needs, Mr Speaker — that our people need; our businesses need; and that our recovery needs to sustain itself for years to come.

Inflation is rising. This budget mitigates it, especially for those most vulnerable.

Our economy is surging. This budget strengthens it.

Job numbers are increasing. This budget adds to them.

Climate events are becoming more devastating. This budget strengthens our infrastructure.

We are realistic about the threats we face.

Ambitious for our country and children.

And optimistic about what can be achieved.

This budget answers the same question we have always answered with honesty and vision:

What is to come? To that great question of our aspiration as a people; your government's answer is unambiguous: Only the best is yet to come. And I wholeheartedly recommend this budget as the blueprint will guide us there.

Thank you.