

INTRODUCTION

At the National Budget announcement on 16 July 2021, there was a great deal we sought for Fiji's future amid a greater deal of uncertainty, so we committed to reassess that budget in the context of our recovery.

Tonight, we are proud to report that recovery is underway.

All preliminary data and partial indicators show that the economy is on track to record the highest growth rate in Fiji's history.

VAT collections, imports of consumption goods, sales for both new and second-hand vehicles, retail sales, and borrowing for consumption are roaring back to life and have recorded strong growth for the last three months.

Sectoral performance is positive as well, supported by agriculture, mahogany, forestry, and manufacturing. RBF's job advertisement survey shows that employment has been on an upward trend for the past six months. Almost 25,000 jobs were added in the formal sector and a similar number in the informal sector. This is

supported by total salaries and wages, FNPF contributions, and PAYE.

Visitor arrivals for the first three months since the border opened on 01 December 2021 are approximately 50,000, more than a thousand percent more than the comparable period one year ago. The numbers ahead look even better. Forward-looking indicators such as airline and hotel bookings from April this year show strong numbers approaching pre-COVID levels of tourism.

That all means that tonight we have an opportunity to announce a special revised budget that builds on this momentum and uses our recovery to meet new and extraordinary challenges — including the crisis of affordable living faced by our people.

But before we announce that budget, we have to remember what it took to get here, because we cannot take this progress for granted.

On 16 July 2021, when we announced the budget for this year, our progress to recovery could be measured in single digits — less than 9% of the Fijian population had received both doses of a

vaccine. Our borders were shut, most businesses were closed, and our economy was in a recession. In the midst of that crisis, we laid out two profoundly different futures that Fiji could face.

In one, we would fail at vaccinating our people and waste the millions of doses we secured for Fiji. Lives that could have been saved would have been lost. Our children would not be in school. Most businesses would not be open, nor would our borders. Our streets would be lonely and quiet, our hotels empty of tourists, our restaurants shuttered. If we had chosen that future, tonight Fiji would be a dark and despondent country and, tonight, we'd have no choice but to announce painful and difficult measures of austerity.

That will not happen, because we chose better. Not through some single sweeping decision — but day by day, step by step, and hand in hand with every Fijian. Under the leadership of our Honourable Prime Minister, we kept to the vision of a Fiji that would control the pandemic. We saw well beyond a single day's headlines. We saw beyond the likes, views, and attention on social media that became the obsession of our detractors — We used our God-given intellect to follow the science and best

medical knowledge. We navigated commercial realities that kept our economy functioning. We called on every willing partner and institution in the world to support us. And we earned their confidence through our prudent and practical policy responses. We made tough decision after tough decision, which time has proved were the right decisions.

Fiji was the first country in the region to introduce a no jab, no job policy. Australia followed suit. New Zealand followed suit. Many cities and states in the USA did as well. But Fiji was the first among those nations to take that bold step down the most direct path out of the pandemic — and we succeeded.

We vaccinated virtually every adult in Fiji and we are boosting more every day.

We resisted calls to keep our schools and businesses closed.

We dismissed demands to keep our border shut.

We kept the bones of our economy strong and ready for a revival.

We made recovery our reality and our record speaks for itself.

You can see it with every take-off of a Fiji Airways plane at Nadi International Airport.

You can see it in the smiles of our children in school.

You can hear it in the hum of markets we've built around the country.

You can see it in the shops, restaurants, hair salons, and other businesses that are filled with customers, on the buses that are carrying our people to and from their places of work, and in the parks and stadiums where our people exercise and compete in sports.

Wherever we look, wherever we are, we can see it and we can feel it — Fiji is back. We are moving past the worst of the pandemic and we thank God for every Fijian who is back at work earning a living for themselves.

We have held budget consultations across Fiji; in rural communities, urban centres, and online and we have received written submissions from the public. We thank all those who participated, including those who invited us to hold consultations in places we did not plan to go. We've listened carefully to your concerns and we've considered your ideas about our recovery.

It is our duty to each of you and every Fijian to answer the burning question on the mind of the nation — and that question is, “What is next?”

That is what this special revised budget is all about — it is about what is next for Fiji. It is about what we can do together to set the nation back on the track we were on before the brutal blow of the pandemic. It is about protecting our hard-fought recovery by sticking with consistent and confidence-building policies — the same policies and philosophy that produced the longest streak of growth in Fijian history. It is about restoring the unprecedented pace of our march towards a modern nation state. It is about moving forward to confront a new slate of global challenges because steering away from this course can only mean falling backwards.

GLOBAL OUTLOOK

A major issue in all of the conversations we’ve had across the country has been the rising price of food and other essentials. We all feel it — at the fuel pump, at the market, in the supermarket, and at the bakery, prices aren’t just rising, they are sky-rocketing.

I want to explain in simple terms why this is happening and, later tonight, how we plan to protect affordable living in Fiji.

This price-increase crisis — and it is a crisis — is affecting every country in the world as a result of a volatile cocktail of global developments.

First, there was a worldwide explosion in consumption coming out of the pandemic. Months of lockdowns paired with trillions of dollars injected into economies by wealthy nations produced consumer demand of historic proportions. People in rich countries left their homes and went straight to the malls and markets to spend, spend, and spend some more. But supply chains could not keep up with all that pent-up demand. They had been disrupted seriously during the pandemic. They were facing labour shortages. They were facing shipping disruptions. And they were overburdened just as they were beginning to recover. That made food, fuel, freight, and other goods, like fertilizer, more expensive. We've been feeling that trend since the end of last year. It was tough, but we were managing thanks to a promising start for our recovery.

But then things got worse — much worse — as a direct result of two earth-shaking events.

A fresh COVID-19 outbreak in China forced hard lockdowns that shut down major industrial hubs and decimated the country's globally-vital production capacity; and the Russian war in Ukraine initiated a humanitarian and economic disaster that rages as we speak.

Fiji opposed Russia's invasion because it was a serious breach of international law and because we knew there is no such thing as "someone else's war" in the 21st century. We operate in an integrated economy where conflict anywhere is felt everywhere. Even far removed in Fiji, we pay the price of war. Because as we feared, the invasion's economic shockwaves have landed as tidal waves at the shores of small island states.

The combined food production of Russia and Ukraine accounts for 12 percent of all calories traded by humanity and 30 percent of the global wheat exports. That capacity is now either cut-off by conflict or sanctions. Russia's once-busy Black Sea ports have become parking lots — adding to mounting freight costs. Oil and

gas prices broke records last week and remain volatile. And costs like insurance are rising due to the risks of the current conflict and the serious potential to spark a wider war.

Let's think back on Cyclone Winston. The storm destroyed massive tracks of Fiji's yaqona plantations and the price of a kilogram yaqona rose from 85 dollars to 185 dollars soon after. Russia's invasion created a super-storm of conflict that has decimated the world's energy, metal, and agricultural output. And prices of oil, gas, metals, and grains are now rising as a result.

Oil sold for as high as \$140 a barrel this month, up from as low as \$22.50 during COVID.

Freight costs on some routes are up to 800% higher than before the pandemic.

Wheat is selling in some places for nearly 12 US dollars a bushel — up from around five dollars in 2019.

A shortage of metals has made modern essentials like microchips harder to come by. This isn't the 1950s. Cars, trucks, ships, and

planes all rely on this sort of technology, and now they are all becoming more expensive.

Here in our region, Australia is facing the worst shortage of building materials in nearly half a century, including steel, timber, cement, paint, and kitchen materials. New Zealand's Prime Minister, Jacinda Ardern, has dubbed this crisis a "wicked perfect storm," and she is right. Small Pacific nations are even more exposed because we are the most import-dependent nations in the world. On average, SIDS have a 90 percent dependency on imported petroleum fuels and import 60 percent or more of their food needs.

Fiji is less exposed on the energy front than others because half of our electricity comes from renewables. We also don't have domestic inflationary pressures. Our dollar is strong and our foreign reserves are high because of our steady and strategic policy-making. But we are a major importer, and that means we import inflationary pressures from overseas. So, when costs increase internationally, these costs are passed on to us.

Like all other islanders, virtually all of us eat imported food items every day — bread, roti, purini, panikeke, and babakau are all made of flour, which, of course, comes from wheat. Wheat does not grow in Fiji. Even though flour is price-controlled at the wholesale and retail levels, Fiji can only purchase wheat at the world market price. There is no oil in Fiji either. We drive in imported cars that run on imported fuel. Let there be no illusion about this – seemingly distant events on foreign soil have direct and immediate impacts on us — this is the interconnected reality of the world and the geographic hand we are dealt as an island nation.

But as tough as things are for us, we should carry some perspective. Women and children are being bombed, shot, and killed on a near-daily basis in Ukraine. There are countries, like Yemen, that depend almost entirely on food aid to feed their people — and there will be mass starvation due to rising food prices and shortages. Our conversation in Fiji is about maintaining standards of living — the conversation in those countries is about staving off mass death due to starvation.

This conflict is Europe's largest since 1945 and the most serious foreign war in Fiji's history as a nation. The conflict could all too easily get worse before it even begins to get better. Cold War anxieties are flaring up across the Western world. In some parts of Europe, bread is becoming a luxury item and supermarket shelves resemble the aftermath of panic-buying during COVID. This is the brutal reality of war. As a nation that has contributed to peacekeeping for almost its entire history since independence, Fiji will continue to urge peace in Ukraine, as well as all other conflict areas in the world, because it is right and because people everywhere on Earth unjustly bear the burden.

Here at home, we face two choices: We can point fingers at each other or we can lock hands in solidarity. We choose the latter.

Together, we will get through this superstorm of global events and we will do it by building on the recovery we are delivering for Fiji. We will grow our economy; We will create the jobs and opportunities that every Fijian deserves to have in their lives.

But imagine for a minute, where we would be if we had failed or faltered in bringing our recovery about. There are countries and

societies that are living under lockdown right now. Imagine if that were still Fiji. Imagine if we had to bear today's price-increase crisis with our economy still crippled by COVID. Imagine if we had made short-sighted and fearful economic decisions instead of showing the wisdom and foresight to ready ourselves for recovery. Imagine that timidity and stupidity, had caused us to keep our borders closed and our people out of their jobs. Imagine that Government was operating today on the meagre revenues of last year — including a low of \$77 million in May of 2021. If we had given in to the demands to lock up the country and wait in the dark for the pandemic to pass, that is the situation we would surely face at this moment. And I can assure everyone here in this chamber, that the \$360 in assistance that Fijians received would not go nearly as far today as it did then. We would have to give more assistance from a dwindling treasury and make many more sacrifices.

Instead, we can create solutions derived from our prosperity. Because the most important way we build resilience to these external shocks is by building on the momentum of our recovery and doing so as one, united nation.

And so, I return to the fundamental question that hundreds have asked of us and thousands have on their mind: What lies ahead? What is next?

The answer lies in the promise of this mini-budget and its support for a bold, sustained, and a broad economic recovery.

As always, we'll start with the context of our current fiscal outlook.

DOMESTIC ECONOMIC OUTLOOK

Together, we recorded the longest period of economic expansion in Fijian history prior to the pandemic — nine straight years of growth. As a result, per capita income levels rose to over \$13,000 and unemployment fell to a 20-year low of 4.5 percent. Socio-economic conditions improved, and Fijians had better and more equitable access to education, healthcare, roads, transportation, electricity, safe and clean water, legal services, and digital connectivity. This period of sustained growth was underpinned by rising productivity and investment, socio-economic and political stability, improved private sector confidence, and an important programme of reform led by

government. Fiscal policy played an important role in this journey, with Government maintaining a low and attractive tax regime to support private sector investment, while also channelling public spending towards massive infrastructure development and improving public service delivery for all Fijians.

That's where we were. Then the pandemic cleaved off 20% of our GDP, creating the worst economic crisis in our history, bar none. We lost four billion dollars in tourism earnings and three billion dollars in tax revenues over two brutally tough years. We implemented the one policy response that could keep our economy afloat.

John Maynard Keynes was a legendary economist whose ideas have guided government economic policy for decades after his death. He maintained that to create jobs and boost consumer buying power during a recession, **governments should increase spending, even if it means going into debt.**

Every nation heeded that message during COVID. They did more than borrow money — they injected trillions of dollars to keep their economies plodding along despite the COVID-driven recession.

The Government is a major driver of economic growth in Fiji and we maintained expenditures in order to fuel economic activity. As the nation's largest employer, we maintained civil service salaries. We paid out millions to the approximately 400,000 Fijians whose employment or livelihood was affected by COVID — building a 500-million-dollar safety net that kept thousands of families from falling into life-threatening destitution. And we were able to negotiate low-cost debt to do that. That was the right call, not only because the cost of that debt was extremely low, but because the alternative was a socio-economic catastrophe.

Credible lenders like the ADB, World Bank, JICA, and AIIB lent to us at five times the pace they did in the past and they did so because they were confident in the plan we had to revive the economy; they did so because they knew that our debt burden was sustainable. They understood what we understood — that we needed a balance between avoiding a deep crisis now and ensuring long-term sustainability. If we had not been extremely prudent in our borrowing and our policies, those multilateral institutions would not have lent to us at all.

Fiji's experience stands up well in the context of the global experience. The International Monetary Fund reports that total global debt rose by an astonishing 28 percent in 2020, to 256 percent of GDP. This was the largest single-year increase since at least 1970. **The weighted average interest rate of Fiji's debt portfolio dropped sharply, from 6.2 percent in 2020 to 4.6% in January 2022.** We secured almost \$900 million in highly concessional finance tagged to policy reforms from multilateral and bilateral development partners — these saw terms of 40-year repayment period inclusive of a 10-year grace period, and an interest rate of 0.01 percent, which is practically no interest at all. In terms of concessionality, this equates to a 60-70 per cent grant element on some of the loans. A direct consequence of this borrowing was a reduction in cost of borrowing in the domestic market for both the government and the private sector. This is in sharp contrast to previous crises, where the cost of borrowing rose substantially.

We also attracted support from our multilateral and bilateral partners. Countries like New Zealand, Australia, and Japan provided us grants and concessional financing at the expense of their taxpayers, to whom their governments are accountable —

and they did so because they were confident in our ability to manage those funds responsibly in the economic plans and strategies put in place by this Government.

Because we borrowed prudently and because we earned the confidence of our development partners, we rode out the worst the world could throw at us. Now, as I mentioned, we're expecting the economy to grow by 11.3 percent in 2022 driven by the vaccination of our population and the reopening of our borders. Other independent economic analysts put the figure even higher. It's estimated to take three years until our economy is restored to pre-pandemic levels — but we have started that journey back on sure footing because **our overall macroeconomic fundamentals remain strong.**

Foreign reserves currently stand at around \$3.2 billion, sufficient to cover 8.8 months of imports, well above the IMF benchmark of three months. With our largest earner of foreign reserves, tourism, shut down, we faced a real threat of devaluation. But the proactive and robust policies by Government and the Reserve Bank of Fiji helped avoid a devaluation of the Fijian dollar. Had we been forced to devalue, Fijians would be paying much higher

prices today for everything. The increased prices we are seeing because of the global supply-chain problems and increases in commodity prices would be compounded by a Fijian dollar that would have simply been worth less today. Everything we import would be much more costly.

Liquidity levels in the financial system stand at around \$2.0 billion, and that supported the low-interest-rate environment. With improved confidence levels and reduced uncertainty surrounding the virus, investment prospects are trending upward. Inflation, on the other hand, has been increasing recently with the rise in international prices and freight costs — as it is worldwide—putting additional pressure on the price of goods.

DEBT BURDEN

The pandemic pushed Fiji's debt levels to over 80 percent of GDP. To put this in historical context, the debt-to-GDP ratio rose from 53.3 percent in 2006 to 56.2 percent in 2010, before beginning a steady decline towards 43.5 percent in the 2016-2017 Financial Year. That was a drop of nearly 13 percentage points in just over six years.

Following TC Winston and the many other natural disasters we suffered, Government increased its borrowing out of the necessity to build back better, pushing the debt-to-GDP ratio to 48.4 percent in Financial Year 2018-2019, still well below the 50 percent benchmark.

Although the nominal value of debt increased from \$2.8 billion in 2006 to \$5.7 billion at the end of the Financial Year 2018-2019, the debt-to-GDP ratio declined from 53 percent of GDP to around 48 percent in that period. That means that Fiji's nominal GDP (which rose from \$5.3 billion to \$11.8 billion) grew much faster than our debt levels over the same period. To maintain public expenditures at around \$3.7 billion, which includes over \$500 million in unemployment support and other relief measures, Government had to borrow around \$2 billion over the last 2 financial years — the COVID years. As a result, the debt-to-GDP ratio now sits at over 80 percent.

The alternative of not borrowing to support the economy during the last 20 months would have been catastrophic, and the consequences would have been especially hard on

average Fijians. It is crystal clear that Government's counter-cyclical stance to take on additional debt to support the economy — particularly external debt from our multilateral partners — was economically sound and absolutely necessary. It has allowed us to announce a mini-budget this evening that takes on the affordable-living challenge, continues our recovery's momentum, and creates opportunities for all Fijians.

Around the world, countries are finding ways to live with COVID and manage the risks — as we are in Fiji. They are loosening COVID-based restrictions as vaccination rates have risen and hospitalisations have declined. Masking requirements are being narrowed or dropped. People are returning to the workplace. New variants emerge, but they have been less virulent and more manageable. Unlike some countries who are currently crippled by lockdowns, Fiji has done enough for our people to be included in the pack of nations that is moving forward.

Tonight, I'll be speaking on new policies and expenditures. The measures we funded in the last budget year will continue — initiatives like free education, social welfare payments,

infrastructure development, and other incentives for economic growth.

Because our recovery is succeeding, tonight is not only about maintaining the support we've assured the Fijian people, it is about what more we can do to empower students, job-seekers, farmers, developers, home owners, and all other Fijians.

For this revised Budget, total revenue is estimated at \$2.25 billion dollars, while total expenditure is \$3.72 billion dollars. This results in a net deficit of \$1.46 billion dollars equivalent to 14.2% of GDP. Debt is projected to reach 88.6 percent by the end of this fiscal year and based on the projected economic recovery and planned deficit reduction, the Debt to GDP ratio is expected to come down to below 80% in the next 3 years.

MORE THAN A BUDGET

A budget is always about more than figures and dollars. It is about how a government sets its priorities and drives change.

We will certainly talk tonight about budget allocations, as usual, but even more importantly, we will also talk about reforms that we need; reforms that consider what we've learned through the pandemic and seize on new opportunities for growth. Because while Government must fund its priorities, it also must set the proper conditions for the people to thrive. It must change laws, regulations, and administrative procedures to meet the demands of a changing society. It must embrace new knowledge and technology. It must have the discipline and the wisdom to do what government does best and to let the private sector do what it does best. Most important of all, it must know when to get out of the way — when to alleviate the burden of cumbersome regulations and let people work and produce.

We will talk about several big picture reforms that will create more vitality in health care, urban development, housing, land leasing, human development, transportation, and agriculture. They will do that by loosening or removing structures that have become too bogged with bureaucracy, that favoured a privileged few, or that no longer serve a purpose.

I think everyone in this chamber will find some of these current practices shocking and others simply not appropriate for our time — if indeed they ever were appropriate. Others have simply outlived their usefulness and need to go.

A modern country like Fiji simply needs greater flexibility. We owe it to the Fijian people.

TOURISM MEASURES

First, I'll speak on our tourism sector as it returns as an engine of economic growth.

We have built a springboard to propel the recovery of our tourism sector to a new level and it is now time to spring forward. We've already opened the border and removed the curfew, here is what is next:

After weeks of establishing private testing facilities nationwide, we are ready to remove the three-night stay requirement upon entry into Fiji. From 07 April, fully-vaccinated visitors, residents, and citizens will only need to conduct a rapid antigen COVID-19 test within 24 hours of arrival in the country at an approved testing facility. A full list of the locations will be published online.

Bringing in more private sector test providers brings in competition that lowers prices and saves costs for visitors — especially tourists and those visiting friends and family or returning citizens — making Fiji a more attractive destination. So instead of visitors being beholden to a hotel, they have the option of going to a nearby pharmacy that's been approved to get their test done.

All visitors to Fiji will play by these same rules because from 07 April, we will also do away with the Travel Partner system. The most important thing is that visitors be vaccinated. If they are, and if they test upon arrival, their country of origin is less important.

Our Blue Lanes initiative, which was a smashing success through COVID, is now giving way to normalised maritime travel.

We are announcing these changes with confidence because we have developed careful frameworks for COVID safety that can be reactivated if and when we need them. But cases at the moment are low, so there is no need for the most stringent public health measures to remain in force.

That is why, from tomorrow, the wearing of masks will become optional and all venues may operate at full capacity. Social distancing requirements will no longer be enforced either. It is up to people to apply the more than two-years of experience we have with COVID to do what makes them feel comfortable and safe.

These rollbacks will continue ramping our economy upwards. As that happens, we are committed to keeping taxes low on our tourism sector to keep costs down and encourage more visitors to come to Fiji. As we now head into peak season, we expect to step up our marketing, which requires additional resources. Turn on a television or go on the Internet in the US or Australia and you will see promotions for competing destinations: Mexico, Jamaica, Bali, Seychelles, Tahiti, and Hawaii. We need to be there as well, fighting for tourist dollars. The marketing grant to Tourism Fiji will

increase by \$893,000, to a total of \$20.9 million. In the revised budget, we are also allocating an increase of \$700,000 for Tourism Fiji's operational expenses. This will primarily be to bring back staff to five days a week and hire additional marketing staff.

Fiji received 50,742 visitors from December 2021, when we opened our borders, until February 2022. The first flights to land in Fiji were flown by Fiji Airways and our national carrier continues to bring in the bulk of tourists. Those dollars are flying into Fiji and staying in Fiji because government support ensured that our national carrier has survived and is here to stay.

Overall, our Network total bookings held for all markets is growing by 9% week on week, and total bookings held of 226,889 are only 22% lower than 2019 levels. This 22% will disappear in the coming weeks as New Zealand ramps up. On the other hand, Australia bookings held — 151,186 is 5.5 % higher than 2019. North America bookings are growing by 10% week on week and New Zealand by 34%. People want to come to Fiji and they need to know that we want them to come and we are open for business.

Over the long-term, we want tourism's revival to reach beyond its traditional hubs and the traditional ways to which we have become accustomed. We'll be reforming the management structure of Fiji Airports to tap synergies that drive more of its revenues towards investments that improve our airports, especially in the outer islands. As we extend ocean and climate commitments nationwide, like protected forests and marine protected areas, our recovery gives us a chance for a reset that opens Fiji to more sustainable blue and green tourism opportunities. It's important that we have robust airport infrastructure nationwide that helps create these opportunities for Fijian communities everywhere in Fiji, including in remote locations. Tourism aside, that matters a great deal to all of us who want to visit our friends and family in these parts of Fiji.

HEALTH REFORMS

We would not be in this position today without the extraordinary effort of our healthcare professionals who managed the COVID pandemic. And we do not forget a single one of them tonight.

We have been working hard over the last several years to modernize and improve our healthcare system, and the improvement shows in new urban facilities, greater coverage in rural areas, more treatments and specialties offered, and generally better care. The pandemic put our entire system under enormous strain, but I think it also crystallized the thinking of many people about how we could deliver better medical care to our citizens by doing things differently — by outsourcing services, by encouraging more private medicine, and by giving our citizens greater choice in medical care. We must continue to invest in our health systems. But some of the most useful changes don't involve much expenditure; they mostly require changes in policy or regulation.

At the height of the Delta-wave of COVID in Fiji, we announced that the Government would directly fund access to private GPs for Fijians who used to depend entirely on the public health system.

Since last year's announcement, Government has spent more than \$1.4 million to cater for the cost of general outpatient services under the Public Private Partnership with GPs. These services include consultations, reviews, referrals, some injections,

dressings, and other minor services for more than 52,000 Fijians. This has eased the strain on public health centres and enabled GPs to grow their patient base — a win-win for the health of Fijians and the development of the medical profession.

So, what is next for the health of our people?

Number one, we're building on that game-changing initiative.

Imagine, a Fiji where every person can have their own private doctor if they choose, if they can visit a doctor who knows them and their family, who has treated them before and knows their lifestyle and their personal circumstances. We have fine doctors, and they give good care in our clinics and hospitals, but there is no substitute on a day-to-day basis for a personal relationship with your own family physician. That is the future we want to build for Fiji and that is where we are headed.

We're also making more government-funded services available at these clinics. Beginning in April, Fijians who qualify for the Free GP Programme will be able to access a range of blood tests, multi-urine dipstick tests, electrocardiograms, nebulizer treatment,

oxygen supply, and ultrasound scans — all at no cost. GPs will prescribe medicine and even provide that medicine to patients after-hours if needed.

With FijiCare, we'll soon launch a dedicated website for the initiative that contains an Online Patient Information System to streamline the administration of the initiative. Through this online platform, GPs will have access to all those patients seen under the PPP scheme.

We also want to end the restrictive practices that have made it unduly difficult for doctors to enter private practice. These practices have been used by some doctors to restrict the market by keeping the number of private practitioners artificially low, and they are unacceptable in a modern economy.

Currently, a physician in the public sector who wishes to establish a private practice must find another private practitioner who is on the approved list of mentors. This is a very small list established by the Fiji College of General Practitioners. He or she then must work under that mentor for two years before being licensed to set

up a private practice. And that can be extended for six months at the recommendation of the mentor.

This has led to some truly bizarre situations and some appalling examples of the GP guild protecting its turf. For example, a physician with 15 or 20 years' experience will still have to work under a "mentor", and at a significant financial sacrifice. And we know of cases where mentors have coerced doctors under their supervision to sign agreements not to establish their practices within 20 kilometres of their mentors' clinic. This is outrageous cartelling and must be stopped.

We need to harness the experience of our physicians and not force them to waste their time in what amounts to meaningless, *pro forma* internships. It is an insult to people who have studied and practiced their professions honourably and well, and it wastes time that could be spent seeing people who need a doctor.

Our reform will begin by allowing any physician who has been practicing in the public sector for more than seven years post-internship to enter private practice immediately as long as he or she receives a certificate of good standing from the Fiji Medical

Council and is admitted to the Fiji College of General Practitioners and holds a post-graduate qualification in General Practice that is approved by the College. Physicians with three to five years' experience would still have to work under a private mentor for two years, while physicians with five to 7 years' experience will only have to work under a private mentor for 6 months. The specific details on this reform will be prescribed under an amendment to the Medical and Dental Practitioner (General Practice) Regulations 2010.

From tomorrow, GPs under this PPP scheme will not be restricted from procuring medicine from the Government pharmacy.

Lastly, another \$200,000 has been allocated to incentivise private GPs to open up new surgeries or clinics in rural areas; such as areas like Nawaicoba, Malolo, Naidovi, Drasa, Sabeto, Seaqaqa, Dreketi, and Nasarawaqa. People have to travel hours to reach their nearest health care facility to get medical attention. Through this, we are trying to bring the doctors and the medical services closer to the people so that they have quick access.

We will further support these doctors and the people they serve by engaging private medical laboratories to analyse blood samples referred by GPs engaged under this programme. Our rural inhabitants have the right to high-quality laboratory results, an essential component for the successful prevention, diagnosis, and treatment of illnesses. This is funded at half a million dollars.

Increasing Number of GPs

As advertised last week, we would like to extend this service by adding GPs in areas not currently being serviced. This will increase the number of GP clinics available to rural and low-income Fijians and have been relying fully on the public health system for general outpatient services and are not currently patients of a private GP.

Free Dental Practitioners Scheme

The Free GP Scheme will also now include Free DPs, as we will now also be engaging the private dental practitioners — or DPs — to improve the oral health of all Fijians, including school-aged children. People who once depended fully on the public health

system for dental services and are not existing paying clients of private DPs will have government-funded access to private dental care.

Oral care is healthcare. Poor dental health is a major burden on society and a major source of other health problems. The more Fijians who can access regular dental check-ups, the more we'll save in future costs to treat illnesses like diabetes, kidney disease and heart disease, all of which are linked to poor oral hygiene.

The cost of these private dental services will be borne by the Fijian Government at an agreed price with individual DPs and private medical dental centres and hospitals. We will offer services like consultation, oral examination, extractions, and temporary and permanent fillings. Patients will be served faster, and dentists will expand their services to more patients through the same model as the Free GP programme. **A half million dollars have been allocated for this initiative.**

We will also be outsourcing biomedical services like x-ray machines, magnetic resonance imaging (MRI) machines, ultrasound machines, and CT scanners. Public health system

laboratories will also be maintained and operated 24/7 by the private sector in public hospitals.

Outsourcing has become popular as a method to streamline operations and control operating costs. This is especially true for hospitals and other healthcare facilities. Due to all the technological advances in biomedical equipment, keeping up with regulatory compliance has become a monumental, time-consuming task — one that can overwhelm both the staff and the budget. To improve the quality of care at our public hospitals, we will be outsourcing biomedical services. This will reduce **operating expenses at our public hospitals, allow us to focus on our core responsibilities, and maximise equipment performance and longevity.**

By outsourcing the maintenance of medical equipment, we will have immediate access to the highest-level technician for even the most sophisticated devices. The provider will have to ensure that qualified technicians are always available and there will be a requirement to have a certain percentage of up time. A half million dollars is allocated for this in the Revised 2021-2022 Budget.

Dialysis Treatment

As announced in the 2021-2022 National Budget, we are taking a two-pronged approach to ensuring affordable and equitable access to dialysis treatment in Fiji.

First, we increased the subsidy from \$75 to \$150 per dialysis treatment for low-income patients, and second, we brought in Private Service Providers under the Kidney Dialysis Treatment Subsidy programme.

Since the announcement of these changes to the Programme through the 2021-2022 National Budget, the Ministry of Health and Medical Services have engaged five Private Service Providers to supplement the Government-operated facilities in Labasa, Suva, Lautoka, and Nadera.

To date, a total of 135 registered patients are receiving their subsidised kidney treatment under the Programme at six facilities across Fiji, with each patient receiving on average eight treatments per month. That support will continue in this revised budget with **funding of \$1.2 million.**

Free Medicine Programme

Medicine in Fiji wasn't free until we made it so in 2015 — a move that has created an invaluable benefit to thousands of Fijians. The initial list covered 72 drugs that were available to low-income patients who could not otherwise afford them.

Since its launch, the list of free medicine has expanded to cover 140 items, comprising 136 medicinal products and 4 consumable items, mainly wound dressing materials. To qualify for free medicine, individuals have had to apply through the Ministry of Health and Medical Services or simply show they qualify for any of our many other social welfare schemes such as the Poverty Benefit Scheme, Child Protection Allowance, and Social Pension Scheme. As announced in the 2021-2022 National Budget, this initiative was extended to include patients served through the PPP General Practitioners Scheme.

So, what's next?

The Fiji Pharmaceutical and Biomedical Services Centre will launch an improved implementation model for the Programme in April of this year. Under the new model, participating private pharmacies will dispense listed medications from their own inventory and will be reimbursed by the Ministry of Health and Medical Services. This will improve efficiency and service.

The transition from the old implementation model to new model will be done in phases and will only be implemented with the consent of participating pharmacies. **The Free Medicine Programme is funded at \$8 million.**

Fiji – Aspen Public-Private Partnership

The newly upgraded Lautoka Hospital will hand over to Health Care (Fiji) Pte Ltd on midnight, 31 March 2022. Over a nine-month transition period, additional staff will be recruited and trained. In addition, new systems and procedures will be implemented across all departments.

From early May, open-heart surgeries will be available at the Lautoka Hospital — marking the first time in history that this procedure will be available all days of the year in Fiji. Other benefits will be added in the coming months including cardiac catheterisation, chemotherapy, and renal dialysis.

Concurrently, work is being undertaken to build a new Lautoka Hospital at the current site with no interruption to services.

Ba Hospital will move from Ba Mission Hospital on 09 April. All current services delivered at the Ba Mission Hospital will be provided at the new upgraded Ba Hospital facility, but this is more than just a move. It is a wholesale upgrade of hospital services in the West. Two operating theatres will come online in the coming months, and the Hospital will offer 24-hour cardiovascular surgeries, chemotherapy, and other critical services. It will also give local doctors exposure and valuable training in these expert medical fields, where we want Fiji to excel. I have to give special thanks to the Australian Infrastructure Investment Financing Facility for the Pacific (AIIFP), which is willing to provide financing for this PPP and is also exploring the possibility of directly financing the Project. **Government is allocating \$13 million to operationalise the PPP arrangement.**

DIGITISATION

The pandemic was also defining for digitisation.

This Government has always seen connectivity as a key to economic growth and opportunities for our people. As a Pacific Island Nation separated from our neighbouring countries and even our own fellow citizens by vast expanses of open ocean, we saw connectivity as a unifying force for society, government, and business, and we have embraced it.

We had already achieved nationwide connectivity, which we relied on during the pandemic to digitally pay out unemployment assistance through M-PAiSA, and to relay life-saving public health information. What is next is a national embrace of the rest of the digital revolution.

Our commitment is to provide equitable access — meaning high and reliable speeds — to digital services everywhere in Fiji and to provide a digital payment option to all government services

delivered to the public, all wages paid to civil servants, and all assistance paid to the vulnerable.

More Fijians are becoming comfortable in online spaces every day. I've been personally to some of Vanua Levu's most isolated communities where we've established connectivity, and I want to give a special welcome to Fijians I met at the Lutukina District School, Koroinasolo Village School, Qalitu District School, Dawara District School, St. Pauls Primary School, Wailevu East Primary School, Vunisalusalu Primary School, Volivoli Primary School, Lagi Health Centre, and Dogotuki Nursing Centre who are able to stream this session of Parliament.

As of now, 95% of our people have access to high speed and low-cost internet across 3G, 4G and 4G+ networks. Now we are focused on connecting the remaining 5% of unconnected Fijians.

Last November, we connected 26 schools and 14 health centres in the Northern Division. Of these 40 sites, 26 have WiFi Hotspots that provide connectivity for the surrounding community. We have further identified 59 unconnected and poorly connected schools nationwide. We have allocated a budget to connect 10 sites in this financial year and undertake site assessments for the remaining

sites to determine the appropriate solutions for each school and the surrounding community.

We are also working closely with the telecom companies to pinpoint the coordinates of the 317 unconnected or poorly connected sites we have identified so that we can properly design innovative, cost-effective, and sustainable solutions. In fact, this number has decreased because the telcos' infrastructure upgrades have increased connectivity in some areas. Under the infrastructure-sharing model, 15 possible tower sites have been identified to connect at least 96 locations. The Universal Service Fund will then be used to install networks, provide services, and cover operating costs in the universal service area, as provided under the law. We have allocated \$570,000 to undertake the site assessments and identify the exact locations that have recently been connected.

We have been consistent in our efforts to connect everyone to the digital television platform so that a person living in the southern Lau Group can watch the same programme on his or her television as a person living in Suva.

As a result, we had fully transitioned to the digital television platform by November 2021 for the areas from Pacific Harbour to Korovou and Nadi to Lautoka connecting over 130,000 households. We are now focussing on the areas from Pacific Harbour to Nadi and Lautoka to Korovou, which will connect about 42,059 households by May 2022. Once completed, we can say that all of Viti Levu has been migrated onto the digital television platform. We will commence with the digital switch-over activities for the Fijians living in Vanua Levu and other parts of Fiji in July of this year.

Fijian Vaccine Pass

Given the recent global surge in COVID cases and as part of future-proofing our COVID-19 response efforts, we intend to roll out the Fijian Vaccine Pass (FVP) in the next few months. The first phase will be focussed on citizens and permit holders who have been vaccinated in Fiji and who need to travel overseas. We've allocated a budget for the operational and technical components, including the set-up of FVP personalisation and issuance centres in the Central, Western, and Northern Divisions. The Fijian Vaccine Pass will be in both digital and paper format and contain an individual's profile picture for easier identification.

It will be free of charge, safe and secure, and the vaccine certificates of all family members can be stored on one smartphone. It will also display negative COVID test results and issue a verifiable, secure, and interoperable QR code that can be scanned and ingested by the Fijian Vaccine Pass app.

UNEMPLOYMENT ASSISTANCE

Most economists and policy makers view unemployment assistance as a temporary measure, part of the social safety net that sustains people in hard times. That changed last year when it became a vital economic, social, and humanitarian tool.

The assistance helped keep families afloat and injected cash into the economy. I know many people were grateful for it, and so am I. Every Fijian benefited directly or indirectly from unemployment assistance. The amount was less important than the fact that Government could be depended on to maintain social stability and ensure that people did not become destitute and hopeless.

Government, in 2021, provided \$430 million through its unemployment assistance programme directly to more than

400,000 people in the formal and informal sectors. This programme was targeted at the population in Viti Levu because of the prolonged lockdowns and restrictions on the island.

So, what's next? While we can count on our recovery to deliver prosperity for Fijians, there is more we can do and that we will do to heal the wounds of the pandemic.

Although many areas in the Northern Division were not under strict lockdowns for long, many people suffered economic losses because of their direct connection to the Viti Levu economy. Not forgetting those affected in the informal sector, this budget has allocated \$13 million towards unemployment assistance for Vanua Levu. These Fijians will have the opportunity to apply for one-off assistance of \$100. The specifics of this plan will be announced soon. This programme also includes one-off assistance of \$50 to all social welfare recipients in Fiji. The bus fare subsidy for the elderly and disabled will be increased from the current \$10 per month to \$25 per month at a total cost of \$6 million dollars benefitting close to 40,000 Fijians.

HOUSING

Housing is a basic need and a right of every person. Government seeks to create the proper economic conditions and regulatory framework to ensure an adequate supply of housing, and it steps in to help people at the bottom of the economic ladder to secure decent housing.

First Home Ownership Programme

The First Home Ownership Programme was launched in 2014 to provide affordable and quality housing for low and middle-income earners. Since its inception, the Programme has assisted approximately 3,400 Fijian households with a total funding of \$36 million.

There's an enormous amount I can say about the nature of this programme and how it functions, but the simple mission of this initiative is to give Fijians faith that owning a home is possible. Home ownership gives people something worthwhile and rewarding to work for and save for. For most people, a home is the single largest investment they will ever make. It is something they can pass on to their children because for all the growth that we create for the economy, what makes that prosperity count is

the faith it instils in young Fijians — the faith that they can benefit and build on our success. We're not just talking about that promise — we are funding it.

Payments for the First Home Programme are in excess of \$5 million for the current financial year alone. In the 2021-2022 Budget, a total of \$4 million was allocated, and the total allocation was paid out within the first few months, assisting 211 families.

So, what's next? More homes and more hope for first-time home buyers and builders. To meet mounting demand, in the Revised 2021-2022 Budget, the Ministry of Housing and Community Development is provided **an additional \$5.9 million in funding support.**

Social Housing Assistance

The Ministry of Housing and Community Development committed to review the Social Housing Assistance Policy to introduce a more sustainable and climate-resilient housing assistance programme. The 2017 Census had revealed that 46% of rural

housing structures are of poor quality, with 42% of houses made with tin and corrugated iron. We've all seen the aftermath of the new breed of super storms that are striking Fiji with terrifying regularity and the shocking sight of metal sheets strewn about communities. They are a serious hazard, as storm winds rip them from roofs at killer speeds.

The only moral answer to the question of "what is next" for these communities is greater resilience. The revised policy will support the construction of cyclone-certified houses. It will also move away from the old one-third and two-third contribution model. Instead, successful applicants will receive \$10,000 grant assistance for the purchase and transportation of building materials. **The Social Housing Programme has been allocated \$600,000** in the Revised 2021-2022 Budget to implement the revised policy.

Lagilagi Housing Project

In 2009, the Ministry of Local Government, Urban Development & Housing, together with the Peoples Community Network (PCN)

Charitable Trust, signed a Memorandum of Agreement for the Lagilagi Housing Project in Jittu Estate, Suva, for the construction of 153 affordable housing units.

The first phase was for the construction of 33 units, completed at a total value of \$2.9 million. To date, 117 units have been fully completed at the total cost of \$15.6 million. But PCN acted shamelessly in what amounted to a fleecing of people who had put their hopes into this project and handed over their hard-earned savings in deposit.

In 2019, the Fijian Competition and Consumer Commission (FCCC) conducted an investigation into the Lagilagi Housing Project after receiving numerous complaints. FCCC's investigation revealed significant problems in governance and risk management and substantial financial irregularities. PCN kept the deposits of eligible people and then sold units to people who were not eligible — some who were wealthy business people. Other money that was collected has simply vanished. The whole thing reeked of corruption and fraud, and the matter will now be referred to appropriate authorities for further investigation and legal action.

We, as the Government, feel that we have a moral obligation to repay the hardworking Fijians who worked hard and saved for homes they were promised. With the assistance of FCCC, the Ministry of Housing and Community Development has identified 3,367 complainants, whose deposits amount to some \$2.2 million. In the Revised 2021-2022 Budget, **the Ministry is allocated \$2.27 million for the reimbursement of the victims of PCN's scams.** In addition, the Ministry is in consultation with the Solicitor-General's Office to ensure the lease titles are transferred from PCN to the Ministry of Lands and Mineral Resources.

iTaukei Land Development

\$4 million was allocated towards the iTaukei Land Development Programme, which helps iTaukei landowners develop their land for residential and commercial purposes. Currently, there are nine projects being carried out under the iTaukei Land Development Programme. We have completed construction works in the Saweni, Wairabetia, Nasoqela, Vuda, and Yadua subdivisions. Once all the projects are completed, there will be a total of 308

lots available for leasing — 270 residential lots, 14 non-residential lots, and 24 industrial lots — a total land area of 61.02 hectares.

Yadua and Nasoqela Subdivision in Namata are climate-resilient, with underground cabling by EFL, and climate-resilience upgrades are in progress for other two subdivisions (Saweni and Wairebetia), which will incorporate climate resilient designs. These lots are now already available and people have expressed interest to invest.

In addition, earlier this month, the Vuda Phase II and Tubalevu Subdivision (Tavua) projects were awarded for construction. The construction works at these subdivisions will soon commence. These subdivisions will be climate-resilient compliant.

The Saravi and Veiseisei Subdivisions are under consultancy phase with the design scheme being completed and necessary approvals are being obtained from relevant regulatory authorities.

INFRASTRUCTURE

Improving the nation's infrastructure has been a priority of this Government from the beginning. We have been busily rebuilding Fiji's network of roads and jetties, and we have ambitious goals to provide electricity to every household by 2026 and clean water to every household by 2030. I think every Fijian can look back to the condition of our roads 15 years ago and be pleased with the vast improvements. We are simply better connected physically today than ever before, and that is good for families and for business. Roads everywhere suffer damage from storms and heavy traffic, but today, our roads are well maintained and quickly repaired.

Fiji Roads Authority (FRA)

Continued investment in Fiji's transport infrastructure has been a priority of this Government precisely because it is necessary for economic growth and the general welfare of the country. Sustained investment into roads, bridges, and jetties gives people access to services, facilities, and markets.

So, what's next for our roads?

In the 2021-2022 Revised Budget, a sum of **\$338.2 million** is provided to the Authority. \$13.1 million will enable FRA to carry out its daily operations and \$325.1 million will finance important capital programmes.

A sum of **\$72.9 million** is allocated for the maintenance of Fiji's transport network and road assets such as drainage, footpaths, railings, signage, lights, and signals.

Changes to our climate contribute to the increasing costs of maintaining our transport infrastructure and **\$21.8 million** is allocated for Emergency restoration works to key infrastructure that suffered damage due to Tropical Cyclone Cody and other severe weather events.

Due to the damages to non-FRA roads since January 2022 due to TC Cody and heavy rainfall, FRA has been receiving requests for repair of non-FRA roads and other asset—mainly repair of community roads, crossings, culverts, and clearing of drainage. An amount of \$5.0 million is allocated for rehabilitation for non-FRA roads as a one-off funding. Under this allocation, priority

will be given to those roads that provide access to hospitals, health centres, schools, settlements, communities, and markets.

Our programme to replace dilapidated jetties in our maritime islands will continue so that we can further improve accessibility and the delivery of services to these islands.

\$60.0 million is allocated to FRA for the renewal and replacement of severely deteriorated roads, particularly under the '*Rip & Remake*' programme, which has markedly improved the condition of the sealed road network. **\$34.02 million** is provided for maintenance and repair of bridges, and **\$14.5 million** will fund ongoing contracts under the Rural Roads Programme, which aims to enhance transport connectivity for our rural communities.

A sum of **\$102.1 million** is provided for the ongoing Transport Infrastructure Investment Sector Programme (TIISP) to rehabilitate major roads along Queens and Kings road and complete the designs for the 40 critical bridges and three jetties in Natovi, Savusavu, and Nabouwalu.

Nadi River Flood Alleviation Project

The Nadi River Flood Alleviation Project is pressing ahead, with physical works to begin on a drainage system in Nadi town proper and design works for the widening of the Nadi River to reduce flooding that has long devastated communities along the river. The project has been delayed due to COVID, but all efforts are now put into place to expedite the works.

We're funding that effort through a renewed mix of commitments from grant funding from the Japanese and Australian Governments, along with **\$3 million** in Government funding. Discussions will also be held with the World Bank and Asian Infrastructure Investment Bank to gauge their interest for the project funding for Project B, which included river widening, construction of a dike, and desilting of the river.

Water Authority of Fiji

We have a water problem in Fiji. A massive rural-to-urban drift and the increase in informal settlements in the Lami-to-Nausori corridor has placed a massive strain on ageing water infrastructure that we are urgently addressing. Some 310,000 Fijians now reside in the Lami-to-Nausori corridor, which is one

reason many places have intermittent water supply. Adverse weather conditions such as cyclones and heavy rainfall also cause flooding and high turbidity.

Moreover, the ageing infrastructure that makes up the reticulation system was built over 40 years ago, and currently presents major challenges for both capacity and maintenance. There was no replacement or preventive maintenance programme for the ageing infrastructure, some of which was put in place during colonial times.

The Revised 2021-2022 Budget for the Water Authority of Fiji is **\$195.2 million**, of which **\$80.7 million is for operating expenditure and \$114.5 million is for capital investment** in our water and wastewater network. Some of the projects include emergency water tanks in communities where water supply is unreliable because while urgent work must be undertaken, communities can't wait it out with an intermittent supply of water.

An allocation of **\$6.3 million** is provided to address the water disruption issues in the Suva-Nausori corridor, Nadi, Lautoka, and Labasa.

To date, 34,385 households have benefited from Government's free water initiative at a cost of \$475,000. This will continue to expand in this financial year.

The Government will be bringing back the Rainwater Harvesting Programme whereby we provide a subsidy of 70% for rainwater harvesting systems in rural areas. Applicants are required to construct the base for the water tank and gutter system. An amount of **\$1.0 million** is allocated in the Revised Budget to cover those applications pending at Water Authority of Fiji since 2019 and delayed due to the COVID pandemic.

The Viria Project will reduce the number and extent of water disruptions and other woes in the Greater Suva-Nausori corridor, and an amount of **\$40.9 million is allocated** for it in the Revised 2021-2022 Budget. Despite delays as a result of COVID-19, construction is well underway and expected to be completed by first quarter 2023. The total cost of the project is around **\$270 million**.

This is one of the largest water infrastructure projects ever undertaken in Fiji. Once completed, the project will increase the

capacity of the Water Authority of Fiji in the Suva-Nausori area by 40 million litres per day, with the plant designed for an additional capacity of 40 million litres per day.

Electrification

The Government has funded to the tune of more than **\$187 million since 2012** to carry electricity to homes in our peri-urban and rural areas. This can only improve standards of living and increase economic opportunities, and the investment reflects Government's commitment to provide affordable, reliable, modern, and sustainable energy services for all Fijians, with 100% national coverage by 2026.

A total budget of \$9.7 million has been allocated for the Housewiring and Grid Extension Programme. \$3.65 million of that total is for the complete installation of proper wiring in homes that will connect to the EFL grid system, which will benefit 42,486 people.

\$6.1 million has been allocated to extend the grid to communities that are not currently served. The extension of EFL grid networks will benefit the rural areas that do not currently have access to

electricity. A total of 48 schemes will be implemented, with more than 5,000 Fijians to be benefited from the programme — 13 in Central Division, 29 in Western Division and 6 in Northern Division.

During the next three financial years, the Fijian Government will be allocating a sum of around **\$20.0 million** to fund a total of 177 schemes for which survey and quotations have been completed by EFL. This will benefit more than 10,000 Fijians living in areas such as Mavua and Navuto in Sigatoka; Dratabu, Navuso, and some areas in Votualevu in Nadi; Abaca, Natawarau, Lovu, Tavakubu, and households without electricity living along Vuda Back Road in Lautoka; Balevuto, Moto, Vatusui, and Vakabuli in Ba; Waiqumu Settlement, Wairuku; Nadele, Nabuna, Toko, Vuniniurea in Tavua; Navolau, Tavuvatu, and Naqaqa in Rakiraki. For the Northern Division, areas such as Muqumuqumu, Bulileka, and Korotari in Labasa; Nabalebale, Matakunea, Nasavu, Natuvu, and Natua in Savusavu; Drekeniwai, and Burotu in Taveuni. Last but not the least, the Government will also ensure that the households in the Central Division that do not have access to electricity in areas such as

Korovou, Tailevu, Namosi, Naitasiri, and Serua will be connected to the grid.

AGRICULTURE

Agriculture was one of our most consistent drivers of growth through COVID. Some obscurantists deny the investment we have made — but they sound silly when you see our record. With the full support of their Government, Fiji's farmers set a record in agricultural exports in the year 2020. Our objective is for that trend to keep rising — exponentially if possible. That starts with recognising where consumer demand is headed and harnessing technology to step-up our scale, particularly in opportunity-rich niches.

In order for our agriculture sector to develop, grow, and adapt to new markets, and social and climate conditions, it will need to adopt new technology. Government is supporting the Farm Mechanisation Program with funding of **\$500,000** and the Commercial Agriculture Development Programme (CADP) through procurement of small farming equipment, irrigation kits, and other agricultural machinery.

Successful Entrepreneurs in Livestock Farming (SELF)

Many large-scale livestock farmers essentially have been on their own. SELF is about those who are already big but have hardly received any or no assistance at all, but we want to assist them now to grow even bigger and get more cattle, pigs, sheep, and goats. With some assistance, they will be able to increase the number of animals under their production and care and build larger livestock businesses. This will expand the market for meats, eggs, and other animal products, introduce more competition in the market, and lead to higher quality and lower prices in the long term. By helping the 'big girls and boys' now, we can empower them to become even bigger producers. \$350,000 will be allotted to get this programme off the ground.

SUGAR

Alternative Lease Options (ALO) for Sugar Cane Farmers

So far, despite huge price increases for fertiliser and almost all food, the price of sugar has remained remarkably and stubbornly stagnant. We have committed to pay growers \$85 per tonne — and we will honour that commitment. But we understand that many cane growers want to plant different crops that have greater upside potential, especially small-scale growers — in fact, 43% of sugar growers cut less than 100 tonnes per year. But these growers are rightly concerned that if they plant other crops, they'll lose their leases.

We cannot let this happen, so Government will be stepping in with a **\$500,000 allocation** to support cane growers who seek to convert their sugarcane leases to agricultural leases to plant other crops or even for a 99-year residential lease. The average age of a cane farmer is 59. There are some older farmers who also want to give up farming and retire or move away from sugarcane farming into other, more lucrative crops. They also will have the option to use a portion of their land and apply for a residential lease. We will facilitate and work with landowners, TLTB, and the farmers to help them obtain new leases and other assistance to have lucrative livelihoods and have peace of mind through

residential leases. They will no longer be hostage to a system that keeps them chained to the cane industry.

Fertilizer Subsidy

The global spike in prices isn't just affecting food and fuel. It is also affecting the price of fertiliser, which is a global commodity with a price that can be influenced by multiple market factors beyond the control of producers. Some 44% of all fertiliser materials are exported, which makes it highly sensitive to events and conditions anywhere in the world, as well as transportation costs.

On 15 October 2021, the Chinese Government imposed restrictions on the export of nitrogen-based and phosphorus-based fertiliser until June 2022. The ban on phosphorus fertilisers has caused chaos on the international market, since China is the world's largest exporter of DAP fertiliser, the world's most widely used phosphorus fertilizer. International sanctions on Belarus propelled spot prices of GMOP fertiliser, or muriate of potash, to almost double. And, of course,

shipping rates have risen exponentially. Pre-COVID fertiliser was about \$45 per bag — now it's more than \$80 per bag.

It would crush our cane farmers to bear this burden without their Government's support — so we're stepping in to cover that entire price increase. That means, despite all this volatility, farmers will still pay \$20 per bag of fertiliser and Government will pay the remaining \$60 through an **additional \$9.7 million** provided to the Ministry of Sugar Industry under the ***Fertiliser Subsidy Program*** to support the procurement of fertiliser by South Pacific Fertiliser Limited.

LAND LEASING AND ITAUKEI LAND DEVELOPMENT

It has long been this Government's philosophy to create an environment that allows people and communities to use their land in ways that best benefit them. Land is an asset that should be cherished and used wisely. Where possible, that asset should become a cash-generating vehicle for our communities.

Outsourcing of Valuation to Private Valuers

To ensure that international benchmarks are respected and best practices followed in land valuations, both the Ministry of Lands

and the TLTB shall outsource valuations to ensure that the landowners and the lessees get the true market value of the land. This will result in efficient and impartial valuations by sector experts and ensure that landowners get the appropriate valuations on their land.

Improving Leasing Processes and Clearing Survey Backlogs

The lengthy delays that people have experienced in the survey process before leases can be finalised is unacceptable. And the economy has suffered needlessly for these inefficiencies.

We have set up a Working Group with the TLTB, the Ministry of Lands, Department of Town and Country Planning, and the Ministry of Economy to address the backlog of surveys and streamline processes moving forward. A MoU among these entities was signed today to establish a common purpose and commit the four agencies to cooperate fully and share information. These key agencies will be connected to the TLTB's Land Development Vetting (LDVC) portal, allowing surveyors and the development authorities to connect through a digital platform to check the status of each survey. We will be allocating \$50,000

for the Facilitation of Resolutions to Lease Complaints by the Working Group. They will send teams to go out on the ground to attend to your complaints on lease matters and ensure we solve lease issues efficiently.

Furthermore, an additional **\$100,000** is being provided to the Plan Assessment Unit of the Ministry of Lands and the Department of Town and Country Planning, respectively, to provide additional staff solely focused on assisting the Working Group to clear the backlog of surveys and address all complaints.

TLTB has recognised that some of its subdivisions were not carried out professionally. In a number of cases, lots sold became landlocked since they had no access to roads in the subdivision. There are tenants with agreements who have been languishing for years as a result. To ensure landowners get proper lease returns and the tenants get proper lease and tenants get proper leases, we will be providing an allocation of **\$1 million** to TLTB for the development of access roads and to connect more than 200 tenants to public roads. This will possibly affect subdivisions such as Batiki and Wailase in Naitasiri, Vunivetau and Nailago in Dravo, Nadereivalu in Sawakasa, Navitilevu in Korovou, Natokia

and Vatia in the North, Nakutaniwailevu in Sabeto, and many others.

This is a sign of things to come. TLTB will now be moving into pre-packaging comprehensively schemed subdivision lots. The development of comprehensively schemed divisions and access roads will involve full outsourcing of services by TLTB for civil work contractors and engineers, surveying, valuation, planning for selected subdivisions, and working closely with the Town and Country Planning office.

A further **\$1 million allocation** is being provided to people with disabilities and low income facing financial hardships to pay for residential and agricultural arrears. This will allow those in need to clear arrears and be in a better position with TLTB and the Ministry of Lands when lease renewals are considered. TLTB will also provide those individuals facing financial difficulties the option of a payment plan for lease renewals and lease offers. To further assist those in the agriculture sector, in this budget we are allocating **\$500,000 to fund the cost of surveying of agricultural leases**. We have not forgotten those facing financial difficulties with residential leases and will also provide \$500,000

for the surveying of residential leases. This all through the joint cooperation of TLTB and the Ministry of Lands to ensure that we unlock land, provide more returns to landowners, and expedite much needed economic recovery.

COMMUNITY DEVELOPMENT AND URBAN PLANNING

I have spoken of some of the reforms we need in rural land leasing and development, but people in towns and urban centres often have the same ambitions, anxieties, and frustrations over land use and development as rural dwellers. Our regulations have long placed unnecessary obstacles in the way of people who wish to develop urban property or lease rural land. Whether you are an entrepreneur who wants to build apartments in Nadi or a subdivision in Lautoka, or an aging cane farmer who wants to retire on his leased land, you will encounter headwinds. We are removing those headwinds.

Streamlined Timelines for Rezoning

As our recovery progresses, it is vital that we create opportunities for development by, quite simply, making it easier to invest, build, and construct in Fiji. We also have to recognise important ways that the pandemic has changed our society and change the regulations to give steam to some of the positives of the pandemic.

The Town Planning Act, which was enacted in 1946, has procedures and processes in place that were relevant in that period, but some of these decades-old processes have unsurprisingly become redundant and outdated. These archaic provisions in the Act have delayed, and many times stopped, development projects from progressing. This is particularly true of the provisions in the Town Planning Act dealing with changes to the town planning scheme, or the rezoning of individual lots or areas.

The amendments proposed will reduce the bureaucracy around the notification and objection period. By reviewing the notification requirements, we are reaching out to more Fijians to have a say on the proposed rezoning. Since we are using a wider mode of transmitting the notification to the public — websites, widely used

publications, and all forms of media — the notification and objection period has been reduced to 14 days, with the ability to lodge an appeal to the Permanent Secretary on the decision of the Director.

Block Rezoning

Our Towns and Cities have evolved significantly over time, however, the Town Planning Schemes governing the planning and development of our Towns and Cities haven't changed a bit in nearly two decades.

For example, the Toorak area was mostly residential in the late 1970s, but today, most properties are zoned as Commercial.

It only makes sense that the remaining properties follow the natural extension and be rezoned as Commercial. This will reduce the need for property owners to apply for amendments on an ad-hoc or case by case basis and be subjected to an unnecessary and cumbersome process each and every time.

Having block rezoning will cut out the unnecessary bureaucracies and enable the proponents to immediately commence with the lodgement of their building plans and get their developments going on the ground.

We have consulted closely with the Director Town and Country Planning, the Municipal Councils, and relevant stakeholders and identified areas to be blocked-rezoned to Commercial in several locations, including Suva, Nasinu, Lautoka, Ba, Sigatoka, Nadi, Savusavu, Nausori, Rakiraki, and Tavua.

By way of amendment to the Town Planning Act, the Permanent Secretary responsible for town planning will immediately approve block rezoning of those areas.

This blanket Commercial zoning will be applied over the properties that fall within designated areas. However, we will not disadvantage any residence within the area. If any affected property owner wants their property to remain zoned Residential or has a residential dwelling on site, he or she will continue to pay the Residential Town/City rate until such time the property is converted for Commercial development.

This is a win-win situation for property owners. First, the property owner will fetch higher rental because the property value will increase. And if they wish to engage in commercial activities, they will not have to go through the process of rezoning.

Land Subdivision Incentive

We announced a new incentive package to encourage investments in subdivision projects for both residential and commercial lots in the 2020/2021 National Budget. Any profits derived from the sale of these new lots are tax exempt along with customs duty waivers for construction inputs.

This incentive was due to expire on 31 July 2022. This will now be extended for another 24 months until 31 July 2024. Subdivision of land is a lengthy process, and a large number of investments were delayed due to COVID, so it makes sense to continue this assistance.

Home-based Businesses

Since the beginning of the pandemic, a number of Fijians who lost their jobs took their skills home and began operating home-based businesses. Some in catering services; some in bakeries; some as hairdressers or as consultants in the area of expertise. Many of these entrepreneurially-minded Fijians are not looking back, but they do face challenges — such as being required to rezone to commercial before operating the business. This requirement is so onerous that it has pushed some micro, small, and medium entrepreneurs out of business.

Through amendments to the Town Planning Act General Provisions for Schemes and Areas, we will allow home-based businesses to operate from residential areas without going through the rezoning process, provided they meet set conditions of operations that are in keeping with the residential nature of the area. These would include restrictions on noise and equipment, signage, traffic, hours of operation and storage of hazardous materials. We can allow these businesses to operate in a neighbourhood so long as they don't make that neighbourhood less quiet, peaceful, and liveable.

Amendment to the Town Planning General Provisions Regulations for Schemes and Areas

As per the 2021-2022 budget announcement, the Town Planning General Provisions 1999 were to be amended to remove the stringent planning requirements for zoning and building-permit applications. These 23-year-old requirements are badly out of date with our modern development needs.

For example, single dwellings were once constructed in a 1,000 square metre property. Now, space is at more of a premium, and developers prefer to maximise the use of the site by building higher.

The review process has been conducted and amendments to the Town Planning General Provisions 1999 will include simplified zones to reflect modern classifications, as currently used in places like Australia and New Zealand, reduction of setback requirements for multi-storey buildings, and increased density for unsewered residential lots. This will reduce the ad hoc requests that need to be put to the Director Town and Country Planning's office for approval.

Commission for Real Estate Agents

In order to counter inflationary pressures and support our vision of empowering Fijians with their first property, we will be regulating the commission charged by real estate agents on residential properties. This will also ensure that transactions occur in a fair and transparent manner and that we weed out unscrupulous agents.

There have been serious issues of price gouging in the real estate market and instances of collusion that are driving up the prices of homes everyday Fijians are looking to buy. For example, in 2021, a property was sold for \$1.5 million in Taveuni, and the real estate agent earned an 8% commission, making \$120,000 in a single sale.

There is general consensus among stakeholders such as the Real Estate Agents and Licensing Board, property developers, architects, and engineers to regulate the commission rates. Below a certain price threshold, which will be finalised in the regulations,

we will be limiting the commission charged by real estate agents on residential properties to ‘no more than 2%’ of the sale value.

HUMAN AND WORKFORCE DEVELOPMENT

Fiji needs to invest in more skilled and educated people, and we will need more and more of them in the economy of the future. This has to be a priority — to provide opportunities for our young people to gain skills and education that they can put to work here in Fiji. We already face a shortage in the trades, particularly the building trades. Fiji needs programmes and incentives for our people to gain both the skills and the education they will need to fill important roles across the economy. There is no better moment than our recovery to make those investments in our people.

Opportunities for Young Fijians

That commitment begins with young people in Fiji.

The past several years have heaped anxiety on young Fijians. During the pandemic, our primary and secondary students lost

months of in-person learning, new job-seekers entered the worst market for jobs ever, and recent hires were often the first crop to be made redundant or sent home. Meanwhile, the climate emergency can make their future feel untenable — with every cyclone serving as a traumatic reminder of how serious this crisis has become. To the young people of Fiji, we understand how difficult all of this is for you — we've heard it from many of you first-hand. And the bulk of the initiatives in this mini-budget are designed for your benefit, because you deserve a secure future where your hard work can guarantee a rewarding life, and we know you have the abilities to make that possible for yourselves.

We invested in your education for years — paying school fees, subsidizing your transportation to school, and paying for your textbooks. We have invested in your access to digital tools and technology. We have promised you that your future would be determined by your skills and qualifications — not by your last name or family pedigree. Now, your generation — the most skilled, the most unified, and the most hopeful in history — is entering higher education and the workforce. As you do, the commitment from your Government could not be stronger.

First, to all those in universities, all those preparing for universities and colleges; you will be supported to realize your dreams. Every ambitious and talented young person should be able to complete education through either loans or scholarships. That is rock solid commitment. This commitment is about you. But more so it is about our country. Our recovery, our enterprise and industry, and our economy cannot be sustained if we do not invest in our people, especially young people, across all the skills and capabilities that are needed for a modern economy.

TELS Cut-off Mark

In the 2021-2022 budget, a new quota system was introduced for TELS, and the entry mark increased from 250 to 280, and to 300 for Year 13 in areas where there was an oversupply of graduates. This new quota system in TELS was introduced to balance funding between the areas of high priority and skills shortage and manage the areas of possible oversupply.

The situation significantly changed after the announcement of the 2021-2022 Budget. The second wave of COVID-19 had a

significant impact on the education of students, and we completely understand how that has affected their performance in examinations.

The Government has considered a one-off temporary measure to reduce the TELS entry mark to 250, except for the Commerce category, where the cut-off mark will remain at 280 with a quota of 850, due to oversupply of graduates. Programmes in the Commerce category will still require an entry mark of 300. The quota for TELS for degree programmes will now be increased from 2,000 to 2,942, with increased attention to areas such as Medicine and Health, Engineering, Science, and Technology.

The accelerated Repayment Incentives (ARI) for TELS students was introduced in the 2018/2019 Budget to offer TELS students heavy discounts for the early repayment of loans. For this initiative the determination of the repayment period for discount eligibility will exclude 2020, 2021 and 2022.

Increased Allocation for Nursing

We also must recognize the contribution made by the nurses in our health sector. The quota for nursing was set for 100 students for 2022 new intake, but this may not be sufficient given the fact that many nurses are resigning — either leaving the profession or relocating. To fill the gaps created by resignations and migration of nurses, the TELS quota for Bachelor of Nursing will be increased to 350.

Funding for MBBS

As part of the 2020-2021 budget announcement, funding for the MBBS program was suspended under NTS and TELS. This decision was based on the fact that Fiji had met its stated goal for the doctor-to-patient ratio and that we had graduated more doctors than there were vacancies in Fijian medical facilities.

Times have changed since then — our experience with COVID-19 brought on the engagement of General Practitioners to improve access to medical services as I mentioned earlier. This creates more employment opportunities for graduate doctors in both public AND private hospitals. Furthermore, private sector

investment is burgeoning in the medical sector, which will create space for year 6 clinical attachments and employment opportunities. We are also going to put more doctors in rural public medical facilities given this shift.

Given this shift, Government will also provide 20 MBBS and 5 Bachelor of Dental Surgery awards to new students who have completed Year 13 with a mark of 340 in 2021 through National Toppers Scheme. Those students who are registered on the TSLS Online Portal for 2022 intake can apply or change their programme to qualify.

To accommodate private MBBS students of 2021, the NTS scheme will change to include those who did Year 13 in 2020, had marks of 340 and above, a GPA of 3.0 and above in 2021, and combined parental income of less than \$100,000.

In the 2021-2022 National Budget, Government allocated funds for MBBS Students who had privately enrolled and met the criteria for a one-off \$10,000 Government Grant. In February this year, 42 students were selected and can use the grant to clear off the fees

for 2021. Government will now provide full-time scholarships under the National Toppers Scheme effective from Semester 1 2022. This will amend existing scholarship regulation to include these students who did year 13 in 2020.

Monash University and FNU Collaboration

Young people in Fiji understand why climate change is such an important issue. They see through the denial of the past generations who have caused this crisis and they are vital to Fiji's leadership on the world stage. But we know young Fijians don't just recognise the problems — they want to know what they can do about it. They want to become the experts; they want to be the leaders. It is our duty to give them that chance by becoming a hub for the world's climate policy research — especially on climate adaptation.

Australia's Monash University is keen to establish a joint "Monash-Fiji National University Pacific Climate Change Research Centre" that offers high quality research opportunities that produce world-leading climate change mitigation and

adaptation issues and high-quality training and capacity building for policy makers in the Pacific.

This collaboration will benefit Fiji through engaging with one of the leading global universities. The collaboration will give its students and researchers direct access to major funding partners like DFAT, JICA, AusAID, NZAid, EU, ADB, and others. It will produce Pacific experts who help the world meet this challenge — because it should be Pacific people who lead on an issue that impacts us more severely than anyone in the world.

The Research Centre will be funded initially through the seed funding from Monash to fund and host the Centre Director. Other funding will be secured from donors such as DFAT, AusAID, NZAid, JICA, and Fijian Government.

Once our young people complete their education they should find a market for jobs that is brimming with opportunity — not only for careers, but for companies they may wish to start — not only in traditional sectors, but in the world class and highly sustainable green and blue Fijian economy that we are building. We urge you to pursue opportunities that our country will need for that. This

may include anything from sustainable forestry to marine conservation to green shipping, and oceanography to sustainability. All industries will need these skills. Society will need these skills. The World will need these skills.

Jobs for Nature

The Ministry of Environment launched the Jobs for Nature - Rehabilitation (J-NR) programme in June of last year focusing on protection, restoration, and rehabilitation of the natural environment.

76 projects from Ba, Tuva, Rewa, Labasa, and Tunuloa catchments have been awarded the JN-R grants through the Fiji Ridge to Reef Program, which is being managed by the Ministry of Environment. The projects have received their first disbursement of 60% of the \$45,600 allocation. The remaining 40%, or \$30,400, will be disbursed after monitoring and evaluation is completed.

Aviation Academy

Fiji is investing \$83 million over time in the world class Fiji Airways Aviation Academy. The Academy reduces the high cost of training that was incurred by Fiji Airways and allows us to train more local pilots, thus reducing the need for foreign pilots and producing savings of around US10 million a year. We trained pilots from other airlines during the pandemic, and the demand by other airlines to use our facility is growing. Every day the academy is helping put Fijians in the cockpit, including women. These are great jobs that often were going to expats when they should all be held by our people — and the aviation academy is making that happen. The academy also kept our pilots ready to fly through the pandemic. There's no question we would not have been ready to re-open the border on 01 December 2021 without it.

The Academy is also used for cabin crew training, some of which was previously done in Australia and Singapore. This produces savings of around \$10.3 million annually.

Fiji Maritime Academy

We want to apply that same academy-based educational model to other sectors — including in shipping. This is a booming sector for Fiji's budding blue economy — and one that will increasingly help to drive our net-zero commitment. Construction to modernise the facility and provide a better learning environment are partially completed, which allowed the Fiji Maritime Academy to open its doors for the 2022 academic year. As of 21 March 2022, the academy had opened its doors to start the new academic year, offering a Diploma in either Nautical Science or Marine Engineering, with a range of short courses to obtain a Certificate of Competency.

Business Process Outsourcing Training

In the 2021-2022 budget, Government announced a 20-year tax holiday incentive for Business Process Outsourcing (BPO). Government continues to assist the BPO sector, and will set aside **300** awards for BPO Training under TELS for TVET at FNU, which has an existing allocation of 5,000 awards.

Combined Parental Income for Means Testing

Means testing criteria was introduced in the 2021-2022 budget, and combined parental income exceeding \$100,000 is tested against the number of dependents and extenuating circumstances. Business owners will be required to submit the latest tax assessment showing business profit and business net worth. The new means-testing criteria will require applicants to have a combined family income of less than \$100,000 or business net worth of less than \$100,000 unless extenuating factors apply. This will be effective from 2023.

Fiji's Human Capital Development Plan

Government will provide funding for development of Fiji's 10-Year Human Capital Development Plan. The Plan will provide prudent guidance for planning and investment in tertiary education. TSLs will host the Secretariat and lead the coordination, and will be funded \$80,000 for this project for the remainder of the financial year.

Reskilling and Retraining Programme

To date, the Fijian Government has assisted a total of 100 Fijians under the Reskilling and Retraining Programme announced last year, with another 500 students currently undertaking courses, and more expected to apply in the near future.

Given the success in the Reskilling and Retraining Programme, offered through FNU, the Government has included an additional seven short courses that are in highly sought areas, including Caregiving, the Fundamentals of Baking and Patisserie, Cooking, Food and Beverage, Screen Printing Artwork and Designs, Household and Sanitary Plumbing, and Domestic Electrical Installation.

A budget of \$1 million has been allocated for this programme.

CLIMATE-RELATED AND ENVIRONMENTAL INITIATIVES

Our recovery is an opportunity to accelerate towards net-zero emissions within the legal framework of our Climate Change Act.

The activities and requirements we must now advance under the Act all support mutually beneficial outcomes for communities, the private sector, and public services. On the whole — the Climate Change Act will create cost-savings for our economy — it is designed to help us best prepare for and avoid climate risks and impacts.

Electric Shuttle Bus

We have proposed an electric shuttle bus project that not only makes good economic sense for an urbanizing country, but which aligns well with Fiji's global climate leadership. We need clean and efficient urban mass transportation, and I am pleased to report that the project is progressing well. The technical analysis on the electric-shuttle-bus ecosystem has been completed, and they will be trialled with the construction of a suburban Shuttle Terminal in Valelevu later this year.

The electric shuttle bus will facilitate transit between commercial centres. Shuttle buses with 22 seats will run every 5 to 10 minutes along 23 new routes. We have identified the first routes to be tendered and electrified for the pilot. The charging infrastructure

to service these routes will initially be housed at the Valelevu shuttle station. This means cleaner transportation that decreases pollution and noise and increases comfort for its riders.

Further shuttle terminals will be coming to Nakasi and the Tawakubu area in Lautoka.

Container Deposit

Government takes seriously the need to manage our solid waste and end littering and the proliferation of plastic waste and other debris into our waterways and ocean. To develop a strategy, we will allocate \$45,000 for a Consultancy for Development of Fiji's Container Deposit Regulations (CDR). The intention of the proposed regulation is to minimize environmental pollution by establishing a container deposit scheme that will incentivize recycling behaviour in Fiji. A consultant has been identified to develop the CDR and will conduct a review to identify implementation issues from Pacific and other countries that have adopted container deposit regulations.

JUSTICE AND IMMIGRATION

Return to Normality for Judiciary

Court hearings were limited during the COVID-19 pandemic for safety reasons, which caused new cases to accumulate and remain unresolved. Now that we are in a post-pandemic era, the Judiciary has positioned additional judges and magistrates around the country to hear the pending cases. We recognise that Justice delayed is justice denied, so **\$600,000 is provided to supplement the Judiciary's operations.**

Government also continues to strengthen the services of Fiji's judicial sector through the construction of the new Nasinu and Ba Magistrate Court, for which an **additional \$2 million is allocated.** The new courts will address the backlog of cases, lack of space for breast-feeding mothers attending family court, and congested staffing.

Immigration

Currently, a person only needs to be lawfully present in Fiji for 10 out of the 15 years prior to lodging an application for naturalisation. We will be increasing the requisite aggregate period to 15 out of the 20 years to protect and enhance the value of the Fijian citizenship. While citizenship is becoming more difficult to obtain, we are adopting a more liberal approach for those looking to obtain work permits and investors seeking to establish permanent residence.

TRANSPORT

Open Taxi Ranks

As we all know, taxis play an important role in providing accessibility to many Fijians because they give us flexibility, and yet, the system we use limits the very flexibility that people require from a taxi service.

Fiji will now do away with the Base and Stand system and adopt the Open Taxi Ranking System (OTRS). For the taxi industry, this is the most important change in 33 years.

Fiji has over a total of 4,222 valid taxi permit holders who will now operate from one of the 453 open taxi ranks — 264 existing ranks and 135 new ones.

The “Open Rank System” is designed to ensure that service is efficient and reliable, while giving the taxi operator more opportunity. The Open Taxi Ranks system allows taxis to operate from any rank within their designated areas of operation on a first-in, first-out basis or a “Rotational Basis”. So all taxi operators can pick up passengers in a fair and orderly manner and avoid illegal operations, particularly, private vehicles operating as public service vehicles. The framework also allows taxi drivers to operate as and when they wish to. The system will be in effect from **25 April 2022**.

We should note that this policy does not apply to Private Taxi Bases, which are a commercial arrangement between the taxi operators and the base owners. But taxis operating from Private Taxi Bases will not be allowed to pick up passengers outside of their private base of operation or from any of the 453 open taxi ranks.

The introduction of the open taxi rank system has meant the removal of paid Bases and Stands in Fiji. The fees formerly associated with bases and stands will be replaced with an annual PSV levy, to be paid at the time of annual vehicle registration at the LTA. LTA will announce the amount of the levy soon.

Driving Instructors and Driving Schools

Previously, driving instructor licences were issued for 5 years. Driving schools' permits were issued for 3 years, but subject to yearly renewals. We'll be removing the requirement for annual renewal. These changes will remove the unnecessary burden of yearly renewals in terms of licensing requirements for existing Driving School and Driving Instructors Permit (DIP) holders.

The idea is to promote self-development among Driving School & DIP holders and reduce bureaucracy. The LTA recognizes the important role Driving Schools and DIP holders play in moulding the skills and mindsets of future drivers. Through this amendment, Government is expressing its trust in the responsibility and trustworthiness of driving schools and licensed driving instructors to give sound instruction and comply with regulations.

Police Clearance

Government will continue to pay for the police clearance report fees for those who need it as a job requirement or for obtaining a PSV Driving licence — that is, for taxi drivers, bus drivers, mini bus drivers, and carrier drivers.

Given that police clearance is an essential LTA requirement for both PSV drivers and any other LTA-related matters, from 14 April 2022, police clearance will be obtained from all LTA offices. It will be a **"one stop shop,"** and the Fiji Police Force will have a Memorandum of Understanding with LTA to implement this initiative. **A sum of around \$1 million dollars has been allocated.**

Trade Enhancement Programme

In order to keep local trading activities and businesses afloat, an allocation of **\$500,000** has been set aside for Trade Enhancement. This programme is essentially a lifeline of \$500 will be provided to successful applicants who are recovering from the impact of COVID-19 and aim to kick start their businesses.

For instance, we met a 57-year old woman in Nadi who was a spa worker at one of the resorts. During the pandemic, she was laid off, so she took the spa home and started her own business from Nadi. Her reputation earned her customers all the way in Suva, particularly among expatriates.

So she would hire a vehicle, grab her spa table and take it to Suva, a costly process. The costs were eating up her profits and leaving her with nothing to support her family.

She asked the Government to help her buy a second table that could be kept in Suva. That allows her to hire a smaller vehicle and keep more money in her pocket. That's the sort of initiative we like to see and are happy to support.

This start-up cash programme will be administered through the Ministry of Commerce, Trade, Tourism and Transport, and more details around this programme will be announced soon.

CIVIL SERVICE REFORM

Civil Service-Private Sector-Development Partner Recognition

We overcame the pandemic together through the everyday heroism of civil servants, members of the private sector, and our development partners who stepped up when Fiji needed them most. We particularly want to thank the Governments and people of Australia, New Zealand, India, and the United States for their support.

We have allocated \$250,000 towards a civil service recognition programme whereby those development partners, private sector partners, and civil servants who served the nation during COVID-19 pandemic will be recognised with a medal award for their Outstanding Courage, Compassion, and Commitment.

We're also going further to engrain that spirit of service and patriotism in the culture of the Civil Service. We have already placed merit at the centre of the Civil Service at every level, and our Civil Service has responded. I doubt that there is anyone who hasn't noticed that services are more efficient and our Civil

Service employees more responsive and professional. There is great pride in being a public servant, and that pride is driving more efficient government. The highest performers are setting an example and creating a culture of pride and higher standards. The next step is to put new measures in place to build on the better services we offer to the public.

A Customer Service Guideline for the whole of Civil Service has been drafted that consolidates all aspects of processes and activities to provide services to the Fijian public.

This Guideline will reinforce the policies and procedures already in place by providing standard tools that our civil servants will use to ensure that our citizens receive timely, reliable, effective, and impartial services. The Guideline sets standards of performance, with emphasis on face-to-face and virtual modes of engagement, and provides guidance on managing complaints, feedback, surveys, form design, customer relationships, and risk.

Fijians who use government services should expect to be treated with respect as a baseline. They should feel their questions are

taken seriously and answered honestly and promptly. When they need to provide information to the government, it should be easy to do through forms that are appropriately designed. Our service areas must create a welcoming environment and place customers at the centre of service delivery. We will want to encourage feedback, including complaints, because that will help us improve.

The Guideline is user-friendly and provides detailed steps that can be easily incorporated into each Ministry's work processes and adapted by the frontline civil servants on duty.

Scarce Skills and Retention

Government is conducting a thorough Civil Service salary review to determine appropriate competitive remuneration — salary and benefits — for positions we know to require scarce skills and personnel that we need to retain. There will be a review of the civil service salaries for retention and scarce skills. An allocation of \$50,000 has been provided for this exercise.

The position of Principal Veterinary Officer is a good example. The 2017 Job Evaluation Exercise determined that the skills we required for that job did not exist in this country, let alone in the civil service. Taking into account remuneration data from the private sector and benchmarking against several other positions, the position's remuneration package was reviewed so that we could attract and retain possible candidates. The same has been done for several other positions in Government. This study will allow for a more comprehensive review, in lieu of ad-hoc application of our Job Evaluation Guideline.

For the teachers, we are allocating an additional \$2.7 million to appropriately remunerate 312 teachers that have upskilled their qualifications.

Overtime

With the economy recovering and the projected increase in revenue collections, we will be able to roll back certain expenditure control measures that were announced in 2020.

Effective from 01 April 2022, overtime will be reinstated for all civil servants on band E and below. Overtime will also be reinstated for registered nurses on Band F. Other officers on Band F and

above will be entitled to Time Off in Lieu of overtime pay. This excludes teachers. The Ministry of Civil Service will be issuing a circular in the coming week. Meal allowances will also be increased from \$10 to \$15.

We are also bringing back rural and maritime allowances with an allocation of **\$1 million**. We recognise the extraordinary efforts by dedicated and committed civil servants who work in remote locations. With immediate effect, civil servants will be paid maritime allowance, as following the reconfiguration of the definition of rural, as a lot of previous rural areas are now peri-urban. Those in deep rural areas will also be paid an allowance.

NATIONAL WAGE REVIEW

The last Wage Review was held in 2018 and was due for review in 2020. It would have been indefensible and quite cynical, really, to review the minimum wage rate during a pandemic that put more than 100,000 people out of their jobs or on reduced hours. We focused instead on providing assistance, as was appropriate.

As things are normalizing, we have conducted the review that was planned for 2020 and we are able to consider new pressures, like imported inflation.

For weeks, we have held extensive and productive consultations with employers, employees, and other stakeholders about wages. Every consultation was open to the public, but regrettably, the unions and their reps never bothered to give contributions and or even show up to the consultations. No matter, we were able to speak directly with the people who will be most affected by a rise in the minimum wage — both in the formal and informal sectors. These are not the privileged; they are people we encounter every day in restaurants, convenience stores and petrol stations. They may tend gardens or clean offices. They do much of the work we take for granted every day, and their wages should rise as the prices of food and other essentials increase.

We will increase the minimum wage to \$4.00 an hour in stages over one year period from its current level of \$2.68. The revised minimum wage rate will be implemented in four tranches, starting at \$3.01 from 01 April 2022, \$3.34 from 01 July, \$3.67 from 01 October 2022, and \$4.00 from 01 January 2023.

For all the other 10 sectors, the minimum wage rate will also rise in tandem with new rate and topped up by the relative difference between the current national minimum wage rate and the sectoral wages.

We will also review the 10 sectoral job classifications. The current classification for the 10 sectors is decades-old and does not reflect the modern economy. Take for example, the printing industry. The sector has changed dramatically in this century through automation and digitisation — but the job classification hasn't changed at all. We have to recognise these shifts and align sectoral wages with market realities to ensure that people are paid just wages for the jobs they perform.

Government has also allocated funding of half a million dollars to adjust the wages of civil servants who are paid hourly.

We have to remember that there are still a lot of folks in Fiji who work for themselves in the informal sector who do not make set wages. A responsible rise in the minimum wage can benefit them indirectly — because higher wages mean more spending, and

that is certainly good news for someone selling roti by the side of the road or the many thousands of other Fijians working in our informal sector.

Productivity Commission

A rise in wages must also signal a rise in productivity — and we must reward rises in productivity where they happen and root out areas that limit Fiji's productive capacity. Unfortunately, there's been a troubling trend of workers being repeatedly absent on Mondays with the excuse of Family Care Leave. This impacts the productivity and the overall profitability of businesses, many of which barely survived the pandemic. We have decided to put Family Care Leave on hold given the announced rise in wage rates. As a further measure to ensure we make the most out of the next few months, at least, paternity leave is also going on hold.

Higher productivity must be a good thing for employers and employees alike. So we are going further to ensure that every hard-working wage earner trusts that their role in improving the nation's productivity is not only acknowledged, but rewarded with

further increases to their wages. By better assessing productivity, wages can keep rising. It's that simple.

To ensure that we are accurately assessing productivity across the economy, we've **allocated \$50,000** for the establishment of a Productivity Commission to measure productivity across all the wage sectors and provide advice to the Government on improving productivity. This commission will not work in isolation — it will be a partner to employers and employees to address issues and complainants as they arise and identify where further wage increase can make the most difference for the economy.

TAX REFORM

We have important changes to announce for our tax regime.

Import Duty Reductions

We announced an entirely new tariff structure in the 2020/2021 National Budget that was centred around liberal trade and simplicity — with a special focus on making life more affordable for ordinary people. Duty was reduced on more than 2,000 lines

of items, mainly goods that were not manufactured in Fiji. Those duty reductions will all remain.

As announced in the 2021-2022 budget, from 31 August 2022, the fiscal duty on imported liquid milk, full-cream powdered milk, yogurt, cheese, and butter will be reduced to 5% from the current 32%.

In line with this policy, the fiscal duty rate on lunch boxes with a thickness of 1.88mm or more and which are not manufactured locally, water bottles, wheelie bins, meat patties and chicken nuggets, both raw and cooked, will be reduced from 32% to 5%. Import Excise of 15% will also be removed from lunch boxes, water bottles and wheelie bins.

Reduced Duty on Bins

To make wheelie bins affordable in Fiji, the Government will reduce the current Import Duty of 32% and Fiscal Duty of 15% down to 5%. The high duty is as a result of wheelie bins being classified under plastics. The reduction of duty will make wheelie bins affordable and will ultimately lead to people using bins to keep our environment clean.

We also have some new reforms to announce that simplify our tax system.

We will raise the VAT on 21 non-essential items to 15%. The increase in VAT to 15% will cover goods and services that previously attracted ECAL, such as prescribed services, white goods and motor vehicles, and will apply to all turnover in excess of \$100,000.

I want to be clear about the real increase here. In a nutshell, ECAL will be removed and replaced by the adjusted VAT rate of 15% for these items. So tax on an item that carried 9% VAT and 5% ECAL would increase by only one percent. The additional list of goods and services to be taxed at 15% VAT includes alcohol, tobacco, textiles, clothing & footwear, perfumes, jewellery, watches, stereos and sound systems, other electrical equipment, and professional services such as legal and accounting, management and consultancy, architectural and engineering, scientific research and development, advertising and market

research, veterinary activities, and other professional, scientific, and technical activities.

The ECAL on personal income will also be removed, but the 5 per cent rate will be added to the Social Responsibility Levy, with the tax burden unchanged for the taxpayer. The ECAL on plastics and super yachts will also be removed and replaced with a plastic levy and a superyacht levy at the same rates.

A proportion of vat revenue charged on prescribed services will now be directed towards Environment and Climate Adaptation Projects previously funded by ECAL.

Those are not the only tax reforms we're announcing tonight. I explained at the start of the announcement the "why" behind the painful rise in the prices of food and essential items. We're not only raising wages in response — we will be reducing the price of food for everyday Fijians in the most direct possible way that we can.

There was a time when six basic food items in Fiji were zero-VAT rated — flour, team, powdered milk, cooking oil, rice, and

kerosene. We lowered VAT across a wider basket of items that Fijians were purchasing more often; a move that lowered the overall cost of living.

This price increase crisis demands that we go further by sending VAT back to zero — not on six basic food items, but on 21 everyday essentials — dropping the cost of these items by nine percent overnight. From 01 April 2022, sugar, flour, rice, canned fish, cooking oil, potatoes, onion, garlic, baby milk, powdered milk, liquid milk, dhal, tea, salt, kerosene, and cooking gas are all going to become VAT zero-rated — as will household essentials including soap powder, toilet paper, sanitary pads, and toothpaste. In total, this reduction will send \$163 million in tax revenues back to the Fijian people and alleviate the cruellest burden that the pandemic and the Russian war have placed on our people's backs. We will continue to review the price of food and other essentials as time goes on — the war could get worse or, God-willing, peace will win out. Either way, we have to maintain a flexible policy posture.

To alleviate the sharp rise in fuel price due to the conflict in Ukraine, we will remove the current 20 cents fuel tax. **This will cost the Government approximately \$56 million.** Prices remain volatile, and we will continue to monitor global crude oil prices and the events that are affecting them, such as the war in Ukraine. In the same way, should crude oil prices stabilize, we may be able to reconsider this reduction.

To assist the Textile Clothing and Footwear (TCF) Council with rising import freight costs on top of the new increase to the sector minimum wage rates, the Government, for the next 3 years, will provide TCF Council a marketing grant of **\$100,000** to allow them to secure markets to expand into. In addition, the TCF sector will be waived for a customs entry for commercial consignments below \$1,500 by FRCS.

Government will also provide, for the next 3 years, a 200% tax deduction to those employers who will be paying maternity leave for their staff — a move we highly encourage for the sake of the mums of Fiji.

Interest Withholding Tax

And lastly, the interest on bank accounts totalling less than \$1,000 in a year will be exempt from the Resident Interest Withholding Tax. This exemption covers more than 75% of holders of interest-earning bank accounts. People with low bank deposits, recipients of social welfare funds, senior citizens, and students will benefit from this exemption, and they will not be required to apply for a Certificate of Exemption.

FIJIAN DRUA INVESTMENT

Last year, there were two moments that lifted our spirits when they needed lifting most and those were the Olympic Gold and Bronze victories of our men's and women's sevens sides. Sport has a special place in Fijian life — none more so than rugby. So tonight, we've saved a special final announcement about what is next for the game that means so much for our national life.

Our Drua have landed in Super Rugby and made an immediate impact — putting eyes on Fiji globally. We will all be able to see them in action around this time tomorrow evening in Melbourne

against the Rebels. We want to make sure that Fiji secures its permanent place in Super Rugby, and we know that that will depend on more than just the skill and heart of our athletes. It requires a full financial commitment.

To support the Fiji Rugby Union and the Fijian Drua in meeting the New Zealand Rugby Union's (NZRU) financing requirements for Super Rugby Pacific, the Fijian Government will invest \$6 million for 51% shareholding in Counter Ruck Pte Limited, or CRL, which was established by the Fiji Rugby Union to own and operate the Fijian Drua. The FRU had requested a grant, but Government is unable legally to give a grant to a private company. We can, however, take a share in the company and divest it at a later date.

Through this revised budget, the Fijian Government will allocate the first tranche investment of \$3 million for 25.5 percent shareholding. The second tranche investment of an additional \$3 million will be undertaken by December 2022 to secure the total 51%. By December 2022, the Fiji Rugby Union will own 49 percent shareholding, while the Fijian Government will own 51 percent. FRU will maintain management control of the Company,

and Government will consider divesting its shares once an opportunity arises. Additionally, CRL will be granted a 13-year income tax holiday and will be provided a waiver for customs duty on goods imported specifically for Fijian Drua-related venues and High-Performance Base from 01 July 2022 to 30 June 2023. Additionally, any sponsorship above \$250,000 made to the Fijian Drua will receive a 200 percent income tax deduction.

The support to the Fijian Drua has two main purposes: first, it will ensure that we realise the significant benefits the team will have on the growth and development of rugby in Fiji. Second, it will allow us to capitalise on our great competitive advantage in the sport our people, who are naturally gifted athletes and rugby players, have. The Fijian Drua provides an avenue for Fijian players to pursue a professional sports career right here in the Pacific, which will further strengthen grassroots rugby. Home matches played in Fiji will become important sports tourism events. They will create jobs, attract large numbers of tourists, and generate a great deal of economic activity — a spirit very much in keeping with the budget we announce tonight.

Most of these changes are coming into effect from 01 April, which just so happens to be April Fool's Day. Let us be perfectly clear that the only fools in Fiji on that day will be those who oppose these meaningful measures to aid our people, create new opportunities, and build on our recovery.

The only fools will be those who oppose VAT going to zero on 21 everyday items, those who oppose the reductions of fiscal duties on fuel, the rise in wage rates, and the assistance heading for the people of the Northern Division. Only fools could oppose a budget that widens high quality healthcare access for our people. Only fools could oppose the maintenance of civil service salaries and the return of their overtime pay, the increase in meal allowances, the reinstatement of maritime allowances, and the increase in TELS Loans and Topper's Scholarships. Only fools would say no to clearing the backlog of land that should be surveyed and the new assistance to those looking to build or buy their first home. And truly only a fool would deny the opportunity to become a shareholder of the Dura and become part of the future of Super Rugby.

The question on the mind of the nation is “what is next?” and this budget is the answer. We look forward to getting this budget and its policies over the line at tomorrow’s parliamentary session — the Fijians who need our help cannot wait and we cannot waste a minute in seizing the opportunities created by our strengthening recovery.

Toso Drua!

Thank you.