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**Prime Minister and Minister for Finance, Strategic Planning, National Development and Statistics, Public Service, Peoples Charter for Change and Progress, Information, iTaukei Affairs, Sugar Industry and Lands and Mineral Resources**

## **2014 NATIONAL BUDGET ANNOUNCEMENT**

FRA Complex Fri. 8th Nov, 2013  
SUVA 10.00 Hours

Cabinet ministers;  
Your Excellencies;  
Members of the Diplomatic Corps;  
Distinguished Guests;  
My fellow Fijians:

It is my task today as your Prime Minister and Minister for Finance to present to you the 2014 budget.

Next year will go down in our history as the year that Fiji first embraced genuine parliamentary democracy and set a new constitutional course towards a brighter future for every Fijian. It will mark the culmination of my Government's efforts to put in place changes that will yield long-term benefits for Fiji and all Fijians.

We have a new Constitution to guide us, one that will allow Fiji to prosper as a united nation.

For the first time, Fijians have a Constitution that protects a wide range of civil, political and socio-economic rights.

For the first time, Fijians have a Constitution that demands accountability and transparency from Government officials, which builds strong institutions, and enshrines principles that are at the heart of all the world's great liberal democracies.

For the first time, our nation has a Constitution that establishes a common and equal citizenry, without denying anyone's individuality or culture.

The Constitution recognises and protects the indigenous peoples of Fiji and their unique customary practices, culture, tradition, language and communal ownership of land.

At the same time, it also protects the rights of all other Fijians, including the rights of tenants and lease holders.

The provision of rights, ladies and gentlemen, is not a zero sum game as was professed previously and is unfortunately preached by some even today. We all can enjoy equal rights and also at times specific rights, but without having to take them away from others.

In these seven years of my Government, we have worked methodically to try to resolve some of our long-standing problems with lasting solutions.

Some of these problems we inherited from our colonial past and we ignored them for far too long. Some of these problems were created by post-independence political leaders who cared more for short-term political gain than for the long-term benefit of the nation, or who simply lacked vision, acumen or the necessary concern for the Fijian people.

I am proud to say that we have not shied away from making decisions necessary to guarantee a bright future for our children and grandchildren. Not all these decisions were politically popular at the time, but they were important to modernise Fiji for the long term and to create a society in which there is more opportunity for everyone.

I am satisfied as I look back at what we have accomplished. Each year we have tackled new problems, and you and I can see the results.

We have made government services more readily available to more people than ever before. We have reformed social welfare to give more help to the neediest while creating opportunities for them. We have established partnerships with the private sector and are reforming state owned enterprises. We have revitalised the sugar industry, created a sustainable mahogany industry, and made our ports efficient. We have embarked on an ambitious program to correct the deplorable condition of our roads. We have begun reforming the civil service to make it more professional, accountable, and results-oriented.

Why do I speak of the accomplishments of previous years in presenting the budget for next year? Simply because a budget is a government's way of following through on its commitments and turning its philosophy into real or tangible benefits for the nation. No government can do everything it wants to at once, but each budget builds on the

work accomplished in previous years, and each budget forms a base on which to build for the future.

This year's Budget again demonstrates consistency and continuity in policies. We are building on much of the work we have already done, and we are funding new initiatives that offer practical solutions to old problems, and others that are the first steps in Government's drive to fulfill the promises made in the new Constitution – rights, for example, to education and health care, water, a clean environment and access to the law.

We are making changes and investments that we have long needed in education, health and infrastructure. And we are correcting some injustices that have existed for a long time.

Above all, 2014 will go down as the year we embarked on an education revolution to better equip all our young people for their future and build a Fiji that is not just smarter, but which provides every young person with increased opportunities.

It will be a nation in which no young person seeking knowledge, skills and training is left behind because of economic disadvantage, a nation in which poverty is no barrier to learning.

All Fijians will be encouraged and provided the incentive to embrace learning as a means to improve their own lives and the well being of the nation. Every Fijian will be given the opportunity to pursue excellence, to reach for the stars.

It is among the boldest investments we have ever made as a nation, an investment in our young people, their futures, and our future.

It will require additional finance, but it is a good investment, a wise investment. Because it is an investment in every Fijian child – at primary level, secondary level and those wanting to go on to our universities and technical colleges.

We do it proudly and unashamedly in pursuit of our vision of Fiji as a clever country, an economic powerhouse driven by the finest minds and equipped with the finest skills.

In the 2014 Budget, we intend to continue to build on our record of service delivery to the Fijian people. A host of areas that reflect our nation's priorities. This year we're announcing substantial pay rises for civil servants to ensure that we attract the best people.

This is part of our efforts to improve the quality of Government services for ordinary people, of making Government more helpful and accessible. A Government that works for all Fijians.

This Budget will connect thousands of families to water and electricity. It will increase access to affordable housing. It will make justice more accessible. It will help establish strong and independent institutions, as required under the new Constitution. And it will encourage investment, job creation, and economic growth.

This budget supports our promise to make Fiji fairer, more equal, and more just.

## **RESPONSIBLE ECONOMIC MANAGEMENT**

Ladies and Gentlemen, my fellow Fijians, in 2012 the Fijian economy grew by 2.2 per cent, up from 1.9 percent in 2011 and 0.1 percent in 2010.

The economy is projected to grow by a very strong 3.6 percent in 2013. Forecast growth for 2014 is 3.0 percent.

For 2014, we estimate total revenue of \$2.7 billion and total expenditure of \$2.8 billion. The estimated net deficit for 2014 is \$161.5 million - or 1.9 percent of GDP.

The provision for operating expenditure is \$1.802 billion. \$1.013 billion is budgeted for capital expenditure.

This marks an increase in capital expenditure of more than \$291 million over this year, and brings capital expenditure up to 36 percent of total spending. This means more money for development projects and initiatives, but it also demonstrates how we are giving greater priority to ensuring our nation's long-term well being.

We are making major spending commitments in the areas of education, health, water, housing, electricity, roads, government services, amongst others. This is being financed through the partial and responsible divestment of certain Government assets, which will create new value in the economy and grow our capital markets.

These include the partial divestment of Government's interest in Airports Fiji Limited, Fiji Ports Corporation Limited, and the Fiji Electricity Authority. We are also continuing with the program we announced in the last Budget to sell the properties of our foreign diplomatic missions to the FNPF.

Inflation is expected to decline during the remaining months of the year and settle around 3.0 per cent by the year's end.

Foreign reserves remain at comfortable levels. As of the end of September, they stood at nearly \$1.8 billion, sufficient to cover 5 months of imports of goods and services.

With the improvement of the reserves position, exchange controls have been further relaxed, which investors will find attractive.

Interest rates are expected to remain low in the medium term. The Reserve Bank has maintained an expansionary monetary policy.

This should adequately support both foreign and local private investment, which is expected to grow to around 28 percent of GDP this year.

Interest rates are now at historic lows, so this is a very good time for Government to refinance several of its high-interest bonds. We have set aside \$20 million for this exercise, and we expect to save the Fijian taxpayer around \$3 million in interest payments.

We have built up our offshore sinking fund to 128 million US dollars through prudent financial management, which is equivalent to around 2 percent of GDP. This fund, effectively a national savings account, will allow Fiji to make bond repayments due in 2016 on time and in full. The sinking fund is expected to surpass 150 million US dollars by the end of 2013.

Our award-winning FNPF is continuing the reforms first announced in the 2010 Budget. Since then, significant progress has been made to ensure the sustainability of the pension scheme and to improve the governance and transparency of the only and compulsory superannuation fund in Fiji.

Today, I am proud to announce that a new commercial bank will enter the market in Fiji early next year: the Home Finance Company Limited (HFC). But this isn't just any bank; this bank belongs to the Fijian people. The FNPF owns 75 percent of HFC, and the Unit Trust of Fiji the other 25 percent.

HFC, with strong and transparent governance, will have to compete in the marketplace with other commercial banks and operate as a profitable business; the difference is that the people of Fiji are the shareholders, and the profits will help ensure their future.

In 2013, there was unprecedented demand for Viti Bonds, a strong indication that ordinary Fijian investors – and particularly pensioners – have confidence in the Fijian economy. Government will continue to float Viti Bonds in 2014, but we also plan to review the bond issuance program in 2014 in order to streamline the whole process of tendering and administration.

I said earlier that our economy will grow by 3.6 percent in 2013, which means that Fiji has outperformed the projected global growth rate of 2.9 percent.

Global growth remains weak due to a slowdown in emerging market economies, in particular China and India, and that presents challenges for us.

We are a small country that feels every vibration of the global economy. We cannot control what is happening in China, or India, or Europe, or the United States, but we must give all our attention to the things we can control.

By keeping taxes low, maintaining a free and fair investment climate, maintaining consistent policies, ensuring that employers and employees work together for maximum productivity, waging a relentless war against corruption, improving our infrastructure, and putting state-owned industries on a firm business footing, we can reduce the negative effects of these shock waves and again outperform the global economy.

Ladies and Gentlemen, we have kept personal and corporate taxes low in order to encourage both domestic and foreign investment and to give every Fijian more money to spend here in Fiji. More freedom in the economy has meant more flexibility and growth.

We have always believed that the Fijian people as a whole will make wise economic decisions if government leaves them with more of their hard-earned money in their pockets, and we have been right.

But that freedom comes with responsibility. Every Fijian must play his or her part.

We won't tolerate tax evaders, welfare cheats, or any others who try to abuse the system for their own benefit. It's Government's obligation to the majority of Fijians who abide by the law.

Accordingly, we have redoubled our efforts to make sure that everyone pays their fair share of tax.

Now is the time for those with the ability to do so to invest in the country's future. A future that is more promising than at any other time in our history.

Now is the time to reap the rewards of a vastly better investment climate, take advantage of the Government's generous investment incentives and create the jobs that we all know are needed to give our young people the prosperous future they deserve and which is my Government's number one priority.

Ladies and Gentlemen, my fellow Fijians, I now have much pleasure in announcing the key provisions of the 2014 budget.

## **PREPARING FOR NATIONAL ELECTIONS**

This year, our nation has made great strides towards the return to parliamentary democracy in 2014.

On September the 6th, His Excellency our President, following national consultations, formally gave his assent to the Fijian Constitution, the supreme law of the land and the document that will lead us to elections to be held no later than 30 September 2014.

More than 40 years after Independence, we finally have a stable foundation to build a modern, democratic country.

When we go to the polls next year, every Fijian will be given one vote of equal value. No longer will we be divided by ethnicity and forced to queue in different lines at the polling stations. No longer will politicians be able to rely upon pre-determined ethnic voting blocs to win their seats. And most importantly, no longer will political leaders be able to gain election by appealing to narrow interests or the prejudices of one group or another.

Anyone who aspires to lead Fiji will have to appeal to the broad interests of all Fijians. For the first time, elections will be a means of uniting our nation behind shared aspirations rather than dividing it by exploiting fear and jealousy.

Political parties will have to be of national stature and develop manifestos that appeal to as wide a base as possible – to men and women, rural and urban residents, young and old.

In turn, every Fijian will be free to choose the candidate he or she thinks has the best policies for building the economy, creating jobs, delivering services, providing security,

improving infrastructure, advancing rights, and moving Fiji forward.

Close to 540,000 Fijians have now registered to vote under a system of electronic voter registration that has been praised by international experts for its ability to help eliminate fraud.

Registration of overseas voters began last month in New Zealand. This exercise will move next to Australia and to other international locations during 2014.

And six elections experts provided by the European Union, Australia and New Zealand are currently working with the Fijian Elections Office to finalise planning for all aspects related to the 2014 election, including identifying polling stations, developing a specific list of material needs, drafting the rules and regulations that will guide the electoral process, and establishing a free, fair and transparent system for the hiring and training of qualified election staff.

We have engaged with these experts because we want the 2014 elections to be conducted on best international practices and with full knowledge of the anomalies of previous elections.

We have allocated \$15 million for preparations for next year's elections. The balance will be provided by our international partners, many of whom will also soon be making specific pledges for material support, based on the results of our needs assessment survey.

Papua New Guinea has already pledged 25 million Kina for the preparation for elections.

The 2014 Budget provides \$7 million to prepare for the first sitting of the elected Parliament, including operational costs and upgrades to the Parliamentary complex. This funding will go towards staff salaries and the refurbishment of the parliamentary chambers. We are currently finalising a UNDP needs assessment for our Parliament.

The Public Accounts Committee, which will consider reports from the Auditor General, has been allocated a sum of \$300,000. Separate allocations have also been made for the payment of allowances to parliamentarians and parliamentary committees.

## **SOCIO-ECONOMIC EMPOWERMENT**

From the beginning, my Government has pursued an unashamed commitment to reforming Fiji - reforming its laws, its politics and its economy.



This has meant an adherence to good governance and transparency. It has meant that the people of Fiji must be taught that they deserve a Government that serves them. Not them serving the Government.

This is why my Government has been for the past seven years committed to breaking down the barriers of the past, the bureaucracy of the past, the corruption of the past.

Changing decades and decades of such a system takes time. In some cases, progress has been slow but steady, in other cases we have made significant progress.

In all cases, Government must be seen as a true partner to the people and a service provider in their everyday lives.

Our Constitution that has now been hailed across the world as a liberal and progressive document is one that enshrines unprecedented socio-economic rights.

This means that any Government, now and in the future, whether under my leadership or someone else's, must always fulfill these obligations.

The theme of this Budget is "Building a Smarter Fiji". To be smart in the modern world requires investing in our future.

But investing in our future is not only about bricks and mortar. It is about people. It means investing in their individual futures.

Our new Constitution shows us the way, and we are committed to follow the path it has placed before us.

## **EDUCATION**

Education is the greatest investment a nation can make in its future, and we cannot shortchange our future. Everyone benefits when we fully commit to the education of our children.

Education produces a competent and competitive workforce, a responsible citizenry, and people who will do everything from build our homes to cure our illnesses.

I am pleased to announce that education in the 2014 Budget takes up the largest share of Government spending – nearly 19 percent of the total Budget – and receives the largest share of the additional allocations. A total of \$541.5 million is budgeted for the

Education Sector.

And it involves major initiatives in primary, secondary and tertiary education that will radically overhaul the manner in which we educate our people.

For too long, we have talked about making education more accessible, especially for those from poorer families. But unlike our wealthier neighbours, Fiji has never had truly free education for all children. Many parents have had to live through the anguish and uncertainty of how to get their children through primary school, let alone secondary school and a tertiary education. But all that is about to change.

Ladies and Gentlemen, it gives me great pleasure to announce that for the first time in our nation's history, my Government will provide truly free primary and secondary school education for all Fijian children. No child will be left behind. And no Fijian parent will ever go to bed again worrying about how they will meet their children's school fees or any other fees. And far more children will now be able to go on to secondary school and tertiary education than at any other time in our history

It is not only the right thing to do. We are now obliged to do so under our new Constitution. And each tier of the education system is set to benefit from our massive investment in the future of our children and our nation.

For 2014, the Education Ministry will receive \$370 million, an increase of \$101.54 million from 2013, to continue with its program and expand into new policy initiatives.

What this means in the primary school sector is as follows:

From next year, no family will have to pay any tuition fees, textbook fees, building fees, or any other fee usually charged by schools from Year 1 to Year 8 or Class 1 to Class 8.

To fund this new initiative, my Government has allocated \$34 million. Schools will now receive \$250 a year per child to cover the full cost of tuition. This is a dramatic increase from the \$30 per child that Government currently spends to subsidise tuition fees.

Out of this \$250 dollars, \$30 will go towards administration and office operations, \$50 for the building levy and maintenance, \$45 for the stationary levy, \$45 for the computer levy, \$45 for the library levy, and \$45 for the physical education, music and arts and crafts levy.

This is an initiative that will benefit the parents and families of 136,000 primary school

children.

For secondary schools, the changes are just as dramatic: Government will provide \$31.5 million for tuition fees. Forms 3 and 4 will attract a tuition payment of \$440 per student instead of the current \$290, Forms 5 and 6 will attract a payment of \$485 per student instead of the current \$320, and Form 7 will attract a payment of \$610 per student instead of the current \$370. This will benefit the parents and families of 66,000 secondary school students.

Given this enormous investment, if a school wants to fundraise it must first seek the approval of the Ministry of Education, and even if approval is given, no family is obligated to contribute.

But next year's education reforms do not stop with secondary education. My Government believes that no young person should be left behind, even at the tertiary level. No student should be prevented from reaching for their dreams because they cannot afford it.

So today I announce a major tertiary initiative that will provide low-interest Government loans to any Fijian student who is accepted at one of the tertiary institutions in Fiji.

The Tertiary Education Loan Scheme (TELS) will cover up to the full cost of tuition and will not have to be repaid until after a student has graduated and received employment.

Fijians from families that earn less than \$25,000 a year will pay no interest on these loans.

Those from families that earn between \$25,000 and \$50,000 a year will pay an interest rate of 0.5 percent, those from families that earn between \$50,000 and \$100,000 will pay an interest rate of 1 percent, and those from families that earn more than \$100,000 will pay an interest rate of 2 percent.

Of course, students can choose not to take out a loan, but they will be available to anyone who needs it.

We will also have certain courses for which full tertiary scholarships will be granted to the top 600 school leavers.

This will act as a powerful incentive for students to take their studies seriously, and will ensure that all of Fiji's brightest have the opportunity to continue their education and

eventually enter the workforce as leaders in their field.

This scheme will be administered by the Government in partnership with the Fiji Higher Education Commission and the Universities.

Government has allocated \$30 million to fund this program in 2014.

As part of this scheme, allowances will also be available to cover the cost of living expenses for students from lower income families. We have allocated an additional \$10 million for this purpose.

The Government's new program is available to all Fijians and will replace the current iTaukei, Multi-Ethnic and PSC Scholarships. Every Fijian youth, no matter what their background or where they live, will have the same opportunity to attend university. Students who have already applied for one of these scholarships will now have their applications processed under this new scheme. So long as they have been granted a place at university, their application will be granted.

Those students who are currently on an iTaukei, Multi-Ethnic and PSC scholarships will not be affected. \$26 million will go to continue to support these programs.

Those students who are not currently receiving any assistance in their second, third, or fourth years and who are paying their own way will be eligible for TELS. We have set aside \$12 million for these students.

Those who received a loan this year under the TELS program will not pay interest. That was a commitment I made this year.

All in all, this adds up to \$52.5 million for TELS.

So the three tiers of education – primary, secondary and tertiary – undergo a radical overhaul to fulfill our vision of a clever country. And within those categories, there are further changes, all designed to improve our education system and make it more affordable for ordinary Fijians.

Apart from paying for students' fees, we also need to ensure that adequate facilities are available to create a proper learning environment, one that nurtures growth and helps our children reach their full potential.

In 2014, we have allocated \$1.5 million to maintain and upgrade schools and institutional quarters, as well as \$200,000 for the upgrade of vocational training centres around the country.

We will continue to support the growth of early childhood education through the development of infant schools, kindergartens and pre-schools across the nation.

In 2014, we will provide \$150,000 to construct new pre-schools in Fiji.

And \$1.2 million will be allocated for the establishment of new facilities for Classes 1 to 3.

My Government is also aware of the need for more secondary schools in rural communities. In 2014, we will build four new secondary schools – St. Francis College and Nakorotubu Secondary School in Ra, Ratu Lalabalavu Memorial School in Nadroga and Bau Central College in the Tailevu Province. A budget of more than \$2 million is provided for these works.

We will also increase the allocation for student bus fare assistance to \$20.8 million, an increase of \$9.7 million from this year. This is to assist students who come from low income households, and includes those who travel by boat, carrier and any other method of transport used where buses aren't available. 78,000 students make use of this scheme.

Boarding facilities and hostels are very important for those students who otherwise would have to travel great distances to school each day. But many of these facilities are in desperate need of repair. So next year, we will establish a building grant program totaling more than \$800,000 to upgrade, renovate and equip boarding facilities in both Government and non-Government schools.

Government will continue to support the One Laptop Per Child program next year with an allocation of \$800,000, which will help our students develop advanced computer and IT skills.

An allocation of \$550,000 will also be provided as an operating grant for special schools for the blind, and the intellectually and physically handicapped.

\$200,000 is being allocated for a scholarship scheme for special children.

A broad-based economy also needs skilled artisans and craftsmen. We know that not all capable Fijians will want a university education; many will find greater fulfillment working in skilled trades.

Next year, we are also continuing three of our existing vocational scholarship programs - the Technical and Vocational Education Training (TVETS) scholarship, which receives \$5 million, the agricultural scholarships, which will receive \$500,000, and the Rural and Maritime Vocational Training program, which receives \$1.8 million.

Under the Rural and Maritime program, instructors from Fiji National University visit remote communities to provide vocational training and this has been a big boost to rural and maritime development.

So the grand total of this year's investment in building a smarter Fiji is \$151.2 million.

In 2014, higher education institutions will be supported with a new funding model and monitored to ensure they provide quality tertiary education.

The change in the funding model for budget allocation is designed to encourage a level playing field by ensuring that funding is based on the number of Fijian full time students.

It also takes into consideration the varying operational costs and infrastructure needs of these institutions and the need to ensure consistency in terms of fees charged, staff salaries, and the quality and relevance of programs.

The Higher Education Commission's budget has been raised to \$1.5 million to oversee this new model.

Under this model, for 2014, the University of the South Pacific will receive an operating grant of \$36.5 million, Fiji National University's operating grant will be \$38.5 million, and the University of Fiji will receive a grant of \$3.5 million. In addition to its operating grant, FNU will receive a capital grant for its Labasa and Navua campus in the sum of \$4.5 million.

In addition, the following institutions will also be provided with special funding:

- Corpus Christi - \$150,000
- Fulton College - \$50,000
- Monfort Boys Savusavu - \$400,000
- Monfort Boys Veisari - \$300,000
- Sangam Institute - \$275,000
- Vivekananda Technical Centre - \$150,000
- And, Centre for Appropriate Technology and Development - \$755,000

We have also allocated \$600,000 to get the world renowned maritime school, CINEC from Sri Lanka, to manage FNU's Maritime School to ensure that it meets international standards and to improve the quality of courses available.

All these measures meet the requirement laid down in our new Constitution to make education accessible to all Fijians.

## **HEALTH**

The Constitution also guarantees health care to all Fijian citizens, and this budget provides for upgrading some medical facilities and bringing other facilities closer to the people.

My Government firmly believes that health services should be easily accessible to all Fijians, including those living in rural areas, and this budget reflects that priority.

We have allocated \$4.9 million for the continued extension and refurbishment of the CWM Hospital's operating theatres. These additional operating theatres will be up to international standards and will be able to cater for a range of specialist surgical procedures such as joint replacements, open-heart cardiac surgery, neurosurgical procedures and organ transplant.

Once complete, this extension will help meet the increased demand for surgical services at CWM Hospital and handle the increased number of overseas surgical teams that are conducting training for local Health staff and providing free operations for low-income patients.

We will provide \$3 million for the extension of the CWM Hospital Maternity Unit to accommodate an additional 224 beds and provide better integrated clinical services for women.

In addition, a low-risk 10-bed Maternity Unit will be established in Makoi at a cost of \$600,000. This new facility will make this crucial health service more readily available to women living in the Makoi community, reducing the risk of maternal or infant mortality in this populous area.

This year we will continue our push to improve the quality of health services in other centres around the country.

My Government has allocated \$7.3 million for the first phase of construction for the new 55 bed hospital in Ba. This project is a public-private partnership between Government and the Ba Chamber of Commerce. It is the first such arrangement of its kind and we

encourage other civic groups to consider similar partnerships for development projects.

We have also set aside \$2 million for a new hospital in Nausori, as well as \$250,000 for the establishment of a new Health Centre in Naulu.

The Lautoka Hospital Emergency Department will be completely overhauled with an allocation of \$5.9 million.

The Keiyasi health centre will also be renovated to ensure adequate medical facilities are available for the community in this area. We will also commence work at Valelevu health centre. \$1 million has been set aside for these two projects.

Other major capital works will be undertaken across the country. These include building projects for the Nagatagata Nursing Station, the Lagi Health Centre, the Cuvu Health Centre and the Waivaka Health Centre. These works will be covered with a budget of more than \$2.4 million.

And \$3 million is allocated for the upgrading and maintenance of urban hospitals.

We have also allocated \$4.75 million for the purchase of bio-medical equipment, \$400,000 for dental equipment and \$775,000 for accident and emergency equipment for health facilities at the divisional and sub-divisional level.

More than \$12 million has been aside for medical consumables, vaccines and laboratories.

## **HOUSING**

Giving Fijians access to affordable housing has always been one of my Government's top priorities. And it is now a constitutionally protected right.

In 2011, Government launched its "social housing policy" through the Housing Authority. Since then, 376 families finally have dwellings they can call their own after their loans, valued at \$3.4 million, were written off. This worthwhile program will continue next year with an allocation of \$1 million.

We are also allocating \$1 million to the Housing Assistance and Relief Trust, as a grant to cover the construction of new HART homes and maintenance of existing ones.



To encourage homeownership, especially amongst young Fijians, we have allocated \$10 million to a new program that will give married couples much-needed support for building or buying their first home.

Under this allocation, a grant of \$10,000 will be available for building a home and a grant of \$5,000 will be available for buying a home.

This program will be means tested and will run on a first-come, first served basis. Advertisements will appear in the paper within the next few weeks. I encourage all married couples who might be interested in this program to get their applications in early.

Next year, my Government will continue its drive to help re-settle or upgrade the housing of those Fijians living in informal settlements. Such settlements form as the result of an inability to acquire legal housing, forcing residents to submit themselves and their families to difficult living conditions that are often unsafe, and which cause disruption to the surrounding urban and rural areas.

For 2014, a total of \$5 million has been provided for various squatter projects.

Out of this amount, \$3 million is for the completion of the remaining work of phase 1 at Lagilagi or Jittu Estate and the commencement of phase 2. The remaining \$2 million is for squatter projects in other areas around the country.

Through this funding, we expect more than 2,260 households to benefit from improved standards of living.

In 2014, we will launch the "City Wide Squatter Upgrading Project," which will involve the upgrade of squatter settlements in the urban and peri-urban areas that lie within the Suva-Nausori Corridor, Nadi, the Lautoka Corridor, Labasa and Savusavu.

This project caters for incremental upgrading and will be implemented in partnership with the Peoples Community Network. A budget of \$500,000 has been allotted for this program.

Similarly, \$1 million is allocated for the "Town Wide Informal Settlement Upgrading Project" for the upgrade of informal settlements on iTaukei land along the Lami-Suva Nausori corridor.

These include Qauia and Nadonumai in Lami Town, Khalsa Road in Nasinu Town, Cunningham Road and Waidradra in Nausori Town. The project will ensure that squatter dwellers have access to basic services such as water, sewer, electricity and roads.

To promote greater access to adequate housing and sanitation, in particular for the marginalised and the poor, Government will provide a 150 percent tax deduction for all cash contributions of up to \$50,000 made to any Government-sanctioned project for squatters.

In 2014, my Government will provide \$1.5 million to the Public Rental Board (PRB) for the construction of 36 flats at Kalabu for low to middle income households.

An allocation of \$2.5 million is also provided under the PRB Savusavu Development Project for the construction of 50 flats in Savusavu.

## **WATER**

Access to clean, safe drinking water is one of the most fundamental of social rights. Indeed, the Constitution guarantees access to this basic necessity for every Fijian.

But for a country with such abundant rainfall and world-renowned natural springs, there are still too many Fijians who face a daily struggle to find clean water to drink.

A concerted effort is needed to tackle this problem and to make sure that every person's constitutional right is protected.

So, this year, we have increased our allocation to the Water Authority of Fiji. In 2014, Government will provide WAF with a budget of \$129.6 million, an increase of \$32 million from last year.

The increased funding is for capital works projects totaling \$71 million and an operating grant close to \$58.6 million.

Nine million dollars will go towards upgrading and fitting treatment plants in Tamavua, Benau, Korovou, Savusavu, Levuka, including other smaller plants in Sigatoka, Navua/Deuba, Taveuni, Ba, Rakiraki and Lautoka.

We have allocated another \$9 million to address issues facing metered water supply across the nation. This will greatly improve the overall levels of reliability, quality and quantity for Fijians using these services.

Main areas of focus for 2014 will be Suva/Nausori, Navua/Deuba, Nadi/Lautoka, Ba, Tavua/Vatukoula and Labasa.

\$10 million will be spent on improving the WAF's distribution networks, to cut down on leakage and loss of pressure. Untold litres of water and thousands of dollars in revenue can be lost every day when usable water leaks out of pipes, so this expenditure will be repaid in both revenue generated and environmental value in short time.

Long-term, this project will help WAF reduce production and distribution costs, create network efficiency and improve services.

We have also budgeted \$8 million for wastewater treatment plant projects. New wastewater treatment plants are earmarked for Savusavu, Tavua and Navua in 2014. And maintenance and upgrade works are planned at Kinoya, Namara, Navakai, and Natabua.

Similarly, \$7 million has been given to upgrade wastewater distribution systems, in particular those in the Suva-Nausori corridor, Nadi, Lautoka, Ba, Rakiraki, Labasa and Savusavu. We are particularly concerned about the need for school children to have safe and clean water to drink. So Government is allocating \$80,000 for the purchase of water tanks for primary schools around the country.

These water tanks will ensure a steady supply of water – even during times of water disruptions. They will also be useful when these schools are used for disaster evacuation centres during natural disasters.

To improve access to sanitary water in rural areas, \$4 million has been set aside for rural water supply and sanitation schemes across Fiji.

Government will provide \$590,000 to upgrade and install a proper water reticulation system in the Waya/Nacula Tikina in the Yasawa Islands. This upgrade and installation will benefit more than 2,700 local residents.

Additionally, close to \$670,000 is provisioned for the Ra Tikina for the upgrade of water supply systems in Ra High School, Vunikavikaloa, Douciu, Naria, Malake and Nanukuloa/Dadamu.

These water development projects will solve the recurring water problems these communities face and ensure a safe and reliable supply of clean water.

Government will also replace the obsolete equipment at the Mineral Resources Department used for drilling boreholes to create water wells in rural communities. A budget of \$2.6 million is provided for the purchase of a drilling truck, two sets of compressors, and other specialised equipment.

## **ENERGY**

My Government is committed to using all the resources at our disposal to find the right solutions and the right technology to bring electrical power to each locality. Schools, homes, health facilities and businesses all need reliable electricity.

Our aim, however, is not just to bring electricity to areas previously unconnected. It is also to service all those families living in areas where the power grid already extends.

In 2014, we will allocate \$10 million for the rural electrification program to extend the power to homes and communities that are currently bypassed. This expenditure will include maintenance, house-wiring, stand-alone generator schemes and solar schemes.

In 2014, we have earmarked the Tavua – Korovou region as a priority for the extension of the national electricity grid. The infrastructure we extend into this area will finally provide residents with a secure and reliable power supply.

The Tavua – Korovou region was also declared a Tax Free Zone in the 2013 Budget. But in order for entrepreneurs to be able to fully capitalise on this initiative, they must have a reliable supply of electricity.

The costs for this grid extension work will be split between the Government and FEA. Government's contribution will be \$9.4 million and the FEA will contribute \$9.4 million. Government will also allocate \$2 million to connect homes as the grid is extended. Additionally, Government will allocate \$1.2 million to extend the grid to the communities in Sauniwaqa, Lawarua, Nasivikoso, Korobubu and Namau.

A budget of \$200,000 is also provided for the grid extension to the Nakasa-Uluivalili Secondary School.

To further support renewable energy initiatives and reduce our dependence on fossil fuels, Government will provide \$1.25 million for the Somosomo Hydro Power Project, which is co-funded by a grant from the Chinese Government.

We have also set aside \$510,000 to further expand bio-fuel production in remote regions, as well as for maintenance of the existing bio-fuel plants in Koro, Cicia, Rotuma and Gau.

These facilities provide a reliable and affordable source of energy for local communities, create jobs, and open up a variety of economic opportunities in these remote locations.

Similarly, \$205,000 has been provided for expansion of bio-gas development projects in all 14 provinces, including the installation of 10 bio-gas plants.

We will also contribute \$300,000 towards renewable energy development projects.

## **TRANSPORTATION**

We cannot delay bringing our infrastructure up to modern standards. We are a nation of people living in rural and urban areas on more than 100 islands, and that presents unique challenges.

We cannot effectively reach our potential—in business, in education, in health, in government, or in any sector—without making a constant investment in our infrastructure.

Last year, we made a major national commitment to improve the nation's roads.

Now, we are seeing new results every day. But we know that we cannot repair and renew in one year a highway and road system that was allowed to deteriorate over decades.

The FRA will be provided with an increased budget of \$454.7 million to continue with the ambitious, nation-wide program of road works they embarked on last year.

This represents an increase in capital spending of around \$60 million, which will allow major roads, bridges and jetty works to proceed uninterrupted.

Major road construction will continue on the Buca Bay-Moto road, the Sigatoka-Serea road, and the Nabouwalu-Dreketi road, all with funding assistance from the Exim Bank of China.

Road widening projects will continue on the Nakasi-Nausori highway, with an allocation of \$15 million, and in Nadi, with an allocation of \$30 million.

We will be building more passing lanes on the Queens Road and will be embarking on the start of a long term program to construct rest areas and erect much improved signage.

We are also allocating \$10 million for the development of rural roads in the rest of the country, especially those that provide access to schools and health centres, and \$2.4

million for sealing roads through built-up rural areas.

Government will continue with the Korosi-Balaga Bay project to create an alternative route for easier access to Savusavu. This project has experienced setbacks due to the rough terrain and adverse weather conditions, but we are confident that the project will be completed in 2014. A budget of more than \$570,000 has been allocated for this work.

\$32.3 million has been set aside for maintenance and renewal of bridges across the country, and \$21.2 million for the upgrade of our jetties, including the jetty in Yasawa-irara that was destroyed by Cyclone Evan.

In 2014, we will embark on a host of new capital projects as well.

We have designated \$3.4 million for the upgrade of Wainibokasi Road to Nausori Airport.

Road improvement work will begin on Khalsa Road, Davuilevu Road, and Princess Road.

We have also allocated \$100,000 to conduct a feasibility study into constructing a highway across Viti Levu from Nadi to Suva to unlock the economic potential of the interior.

Following the resolution of all outstanding issues with Denarau Corporation Limited, an allocation of \$9.4 million has been made to replace the existing Denarau Bridge.

Construction will commence on Qarani Jetty in Gau with funding of \$2.3 million, and design and preparation work will commence on Balaga Bay Jetty, in Vanua Levu with an allocation of \$1.7 million. Jetty waiting sheds will be built in Savusavu and Taveuni.

We will investigate the work required to make Oinafa Jetty in Rotuma functional. The original design allows sand to build up that stops boats from docking. While not a major capital project, this a vital undertaking for the people of Rotuma.

Government will also revamp its shipping fleet to improve accessibility to our remote islands and facilitate more trade and development in the maritime region.

Apart from upgrading the current Government shipping vessels to an acceptable operating standard, we will also provide \$9 million for two new vessels to service remote maritime communities and to assist in supplying material and machinery for development works on these islands.

In addition, we are allocating \$7 million for a new landing craft to transport both cargo and passengers to outer islands.

We are also zero-rating duty on spare parts for maritime vessels engaged in commercial inter-island shipping services.

The final piece in the effort to improve inter-island transport will be the introduction of a tax holiday for shipping companies that service outer island routes that are not commercially viable or are uneconomical to operate.

Most of these routes are also currently being subsidised under Government's Shipping Franchise Scheme, and in 2014 we will provide an additional \$225,000 to reduce the VAT charges on these subsidies.

We are also undertaking a significant upgrade to civil aviation in Fiji. \$3 million has been allocated to the Civil Aviation Authority and we are providing \$1.26 million to subsidise domestic air services to remote locations.

Government will also provide \$800,000 for the upgrade of rural airstrips. This includes \$200,000 for preparatory works in Rotuma and \$600,000 for upgrades in Labasa, Savusavu, Taveuni, Koro, Gau, Bureta, Vanuabalavu, Lakeba, Ono-i-Lau, Cicia, Moala and Kadavu.

We are also keen for our national carrier Fiji Airways to expand its services. \$1.8 million has been provided to enable our airline to explore new international routes.

\$50,000 is provided for aircraft accident investigation in line with best international practices.

## **POVERTY ALLEVIATION AND SOCIAL PROTECTION**

My Government believes that every Fijian should be given an equal opportunity to succeed in life.

So we have committed ourselves to breaking down barriers thrown up by gender, age, and economic standing.

It is Government's responsibility to create a level playing field that allows Fijians to succeed and create a good life for themselves and their families.

It is then up to them what they make of it.

Government must do what it can – within its available resources – to assist Fijians in their times of need.

In the 2014 Budget, we will continue to fund our social protection schemes, support income generating projects, develop infrastructure in rural and outer islands and promote youth and female empowerment.

But our resources are limited. So we have to be smart about the way we structure our programs, to ensure that aid flows to those who need it the most. We have to be unflinching in our efforts to stamp out corruption and fraud in the system. And we have to avoid creating a culture of dependency, focusing efforts and energy on graduating individuals and families from welfare schemes to independence.

Last year, Fiji's Social Protection schemes were recast. The Family Assistance Program has become the Poverty Benefit Scheme. And a new Social Pension Scheme has been launched.

The way the old system was set up meant that many of Fiji's most poor were ineligible for assistance because they did not meet certain criteria.

Now, that's all changed. The new system is based on the principle that those Fijians in most need of assistance should be the ones to receive it.

Many of Fiji's poorest who were not covered by the old system will now receive aid under the new Poverty Benefit Scheme.

The exercise is not yet complete, but already we have managed to expand coverage from 3 percent to 6.4 percent of Fiji's poorest people.

In 2014, the Poverty Benefit Scheme will receive an allocation of \$22 million. Under this system, a household will receive a maximum payment of \$150 per month, including a \$30 food voucher.

\$3 million will go to fund the Social Pension Scheme, which provides pensions for persons aged 70 years and over who do not have any form of income or pension, or who have never been part of a superannuation scheme.

The Child Protection Allowance will be provided with a budget of \$4.5 million.



A sum of \$1.3 million has been allocated to assist pregnant mothers who attend rural health clinics for pre- and post-natal care.

With an allocation next year of \$500,000, the "Welfare Graduation Scheme" focuses on moving recipients from "welfare to workfare." Fiji cannot support a culture of dependency. We must commit ourselves to the idea that poverty is a temporary state. As a society, we must uphold the value of work and self-sufficiency. When people move from welfare to work, they regain their self-esteem and confidence.

Government will continue funding for the Integrated National Poverty Eradication Program to co-ordinate and implement national poverty policies and programs. A budget of \$300,000 has been provided for this.

\$685,000 has been allocated for the Sustainable Income Generating Project, which selects squatters with agricultural backgrounds for training and placement on a working farm.

We are giving \$750,000 to implement the Women's Plan of Action. This will help fund income-generating projects, legal literacy training, and empowerment programs in decision-making.

In addition, \$180,000 is allocated for the construction of four Women's Resource Centers in Labasa, Nadi, Serua, and Namotomoto.

My fellow Fijians, over the last 50 years, many women who worked in the civil service in the colonial era were greatly disadvantaged by gross discriminatory practices under the old British Government pension scheme, which continued after Independence until 1974.

By some reasoning that is difficult to understand today, women working in Government who married while they were employed lost all retirement benefits accrued during the years they were single.

In effect, they started over, with their years of service recalculated as if they had begun work on the day they were married.

By this scheme, a woman who worked ten years, married and worked another 15 years before retiring would only get credit for 15 years when it came time to draw her pension.

This affected women only, not men. And although relatively few women remain who are affected by this injustice, it is an injustice that needs to be corrected.

This issue will be addressed by my Government and in 2014 a sum of \$2.5 million is provided as back-dated payment for these civil servants.

Government is also committed to addressing the issues and concerns of older persons in the country. To this end, we will provide \$200,000 funding for the recently established National Council for Older Persons.

We are also mindful of the need to implement proper and fair minimum wage rates in the nation. To hasten this process, a sum of \$250,000 has been allocated for the appointment of 18 labour inspectors to conduct national minimum wage surveys in 2014.

## **LAW AND ORDER**

Ensuring the safety and security of the citizenry is one of government's most sacred obligations.

This is something that only government can do, and it goes to the core of people's faith in their government.

Our Constitution directs our government to enforce the law and make the nation secure, and we have taken steps in the 2014 Budget to do that.

## **POLICE AND CORRECTIONAL SERVICES**

The best guarantee of safety is a police force that is professional, well equipped and trained, adequately compensated, and supported by science.

A budget of \$111.7 million is provided to the Fiji Police in 2014, an increase of \$19.5 million.

The forensic and special investigation unit of the Fiji Police will be further equipped. We will provide \$1.4 million for the purchase of forensic biology and DNA laboratory equipment, pathologist equipment and a drug analysis machine.

This will help ensure that police work is more effective, that fewer people are falsely accused, that wrongdoers are more quickly identified, and that cases are brought to trial

with evidence that is more solid.

\$2.3 million is allocated for renovation of police institutions and quarters. And \$200,000 is allocated for clothing, equipment and stores.

A budget of \$1.4 million is provided for the renovation of police stations at Valelevu, Namaka and Nakasi.

We are also taking steps in this budget to increase the security of our prisons and to address the pressing issue of overcrowding. The people need to be assured that dangerous convicts will remain in prison once they are sentenced, and all prisons need to be equal to the task of not only of keeping the public safe, but of maintaining humane conditions and encouraging rehabilitation.

Security at the Naboro Prison will be further tightened with the re-fencing of the compound and the Fiji Prisons and Correction Services will receive \$570,000 for this project.

\$2.2 million is also allocated for the construction of a new Remand Centre and a Women's Correction Facility in Lautoka.

I am also pleased to announce that the Yellow Ribbon Program will continue in 2014 with an allocation of \$200,000.

To strengthen border protection and improve efficiency of processing, we are boosting the Immigration Department's staffing with an extra 34 positions.

We are also providing \$450,000 for the construction of an immigration detention centre in Nadi.

## **LEGAL SERVICES**

Justice can only be done when everyone is truly equal before the law, with equal access to the law.

We cannot allow a situation to exist in which some get real justice because they can get the best legal advice, while others face uncertain justice because they can't afford the counsel they need.

Unequal justice leads to disillusionment, and people who feel they are shut out of the justice system will lose faith in government. Legal services are critical to making sure that we are all truly equal under the law.

Government will continue to promote access to legal aid services and support the Legal Aid Commission with an allocation of \$4.4 million in 2014. This is in line with the Constitution's requirement that the State provide legal aid to those unable to afford it. We are also continuing to bolster our court system.

In 2014, \$5 million is provided for the extension of the Lautoka High Court complex and chambers to provide the Western Division with better judicial services compared with the current arrangement.

We will also commence construction of a new Court House in Nasinu with an allocation of \$500,000.

We have also allocated \$2 million for the restoration of existing court complexes. And we have allocated an additional \$100,000 to upgrade the sound recording systems in our courts.

This will include restoring Government Building's iconic clock tower to working order.

People living in isolated parts of Fiji should have access to the courts without having to travel to major centres.

That is why we have allocated \$300,000 to hold court sittings in some of the outer islands, such as Rotuma, Koro, Rabi, and the Lau Group.

We will also spend \$800,000, an increase of \$400,000 over last year, to improve court services in rural areas and small towns.

To bolster my Government's campaign against corruption, we will continue to strengthen the Fiji Independent Commission Against Corruption with an increased operating grant of \$8.6 million for 2014.

We will provide \$500,000 in 2014 for the establishment of a Consumer/Compensation Tribunal that will adjudicate over claims on third-party insurance and consumer complaints. This tribunal will provide speedy resolutions to such claims without ordinary Fijians having to wait for years for justice, and at exorbitant costs.

\$300,000 has been allocated to the Media Industry Development Authority to conduct its program of media supervision and training.

Additionally, \$1.5 million is budgeted for workmen's compensation in 2014 – an increase of \$500,000.

A new allocation of more than \$735,000 is provided for the setup and operations of the Accountability & Transparency Commission, which is established under our new Constitution.

And a budget of \$550,000 is provided for the continued funding of the Human Rights and Anti-Discrimination Commission, which has enhanced powers under the new Constitution.

To instill transparency in the resolution of disputes involving public servants, we are providing \$150,000 to the Public Disciplinary Tribunal, which is established under the new Constitution.

To improve accessibility to legal registry services for rural and maritime communities, Government will provide more than \$545,000 in 2014 to the Titles Office, the Births, Deaths and Marriages Registry, the Companies Office and Official Receiver to hire additional personnel.

## **URBAN AND RURAL DEVELOPMENT**

For the past six years, much of our attention has been given to developing rural areas, which had been badly neglected by previous Governments. While we will continue to support rural Fijians, 2014 will see several important projects and initiatives for those living in urban and peri-urban centres.

## **URBAN AND PERI-URBAN DEVELOPMENT**

As part of our focus to improve the provision of services to Fijians living in urban areas, we are providing better facilities for those living in our biggest municipality - the Suva-Nausori Corridor.

\$1.5 million has been provided for the upgrade of footpaths and streetlights by the FRA, in addition to the major road works planned for the suburbs in this Corridor.

Local municipal markets are the lifeblood of a community, both economically and socially.

We are committed to the development of our local markets.

Already this year, we have provided \$400,000 for a women's shelter at the Suva market.

In 2014, we have allocated \$854,000 to modernise three more markets– \$504,000 for the Nadi market, \$200,000 for the Sigatoka market, and \$150,000 for the Savusavu market.

The improvements will create cleaner and more spacious environments for vendors, market patrons, and visitors to Fiji.

Government has also set aside \$1.5 million for works to continue on the relocation of the Nausori Market and bus stand in 2014.

Also, \$1.5 million is provided for upgrading and development works for the Nasinu area.

A “Challenge and Investment” fund totaling \$3 million will be available to municipal councils for capital projects to be undertaken with private business partners. We hope this will provide town councils the needed impetus to undertake upgrade and renewal projects to improve their townscapes, public facilities and amenities.

Levuka Town Council will receive a grant of \$210,000 in 2014.

Government will also provide funding for new town development projects in areas identified as growth centers. In 2014, \$2 million is provided for Nabouwalu in Bua and Seaqaqa in Macuata.

This initiative will prepare these areas for projected growth and will help curb rural-urban drift. The end result will be communities that are more cohesive and designed to accommodate growth.

A waste transfer station will be set-up in Nasinu at the old quarry site where waste can be sorted and then taken to the Naboro landfill. This will mean that instead of having to cart their waste to Naboro, municipal councils will be able to dump it in Nasinu, from where bigger vehicles can transport it to the land fill. It will also mean that we can seriously start recycling waste. \$1 million has been set aside for preparatory work on this project.

We have also allocated \$3.4 million for the expansion of Naboro land fill to cater for future solid waste disposal for the Central Division.

The Tavua Town Council will receive a grant of \$165,000 for the purchase of a new garbage truck. The Levuka Town Council will receive a grant of \$107,000 for a new

garbage truck as well.

## **RURAL DEVELOPMENT**

I consider rural and maritime community development as another of Government's most important tasks. And by this, I don't just mean providing basic services, such as water, electricity and roads. We need to unlock the development potential of these areas, and where possible, help them develop new economic opportunities.

Government has set aside a sum of \$1.5 million for the Northern Development Program (NDP) to support the development of small business initiatives in the Northern Division.

In 2014, Government will provide \$1 million under the Integrated Human Resource Program to assist rural communities in establishing income-generating projects and encouraging sustainable livelihood.

Government will also increase its support of the Agricultural Marketing Authority to \$2 million. The Authority assists farmers and producers with the distribution and marketing of farm produce to both local and overseas markets.

\$1 million has been allocated in the 2014 Budget under the Rural and Outer Islands Agricultural Development Program to strengthen commercial agriculture development in rural areas.

In addition, sizeable allocations have been made for divisional development projects, which include \$100,000 for Beqa Island seawall.

We are also allocating \$1 million in 2014 to boost small-scale timber operations in isolated, maritime communities by providing them with portable sawmills, a treatment plant and tractor. This will allow Fijians in these areas to take advantage of a natural resource that was previously too uneconomic to harvest and transport to Viti Levu or Vanua Levu.

Initially, two portable sawmills with all the relevant ancillaries will be provided to Gau in Lomaiviti and Cicia in Lau to enable the people living there to process timber to build their homes, churches and community halls.

In 2014, Government will increase the funding allocation for self-help projects to \$1.5 million.

Under this program, the Government assists community development projects by providing two-thirds of the overall cost of approved projects, and the community funds the remaining third. Funding in this program is focused on basic needs such as access to reliable water supply, infrastructure and housing.

\$600,000 is allocated for the development of roads in Kadavu.

The Committee for the Better Utilisation of Land will continue its important work in 2014 with an allocation of \$6.4 million.

## **INDUSTRY, AGRICULTURE & TRADE**

Fiji needs healthy industries and prosperous trade to provide jobs and create wealth for ordinary Fijians.

That's why my Government has strongly supported Fiji's essential industries and has worked diligently to grow Fiji's trade. And that's why we will continue to do so.

Our job is to help industries modernise through investment in new ideas, equipment and technology, and to develop policies and initiatives that grow trade, both domestically and internationally.

## **TOURISM**

Tourism Fiji will again receive \$23.5 million. This is Government's investment in Fiji's top foreign exchange earner and the leading source of employment.

The consistency of this allocation over the past 5 years has allowed Tourism Fiji to develop and sustain an ambitious international marketing campaign, driven by the new slogan "Fiji: Where Happiness Finds You."

As a result, we now have a coordinated strategy in the way we market Fiji– online with a new website, in social media, and in tourism offices around the globe – to further boost the performance of this important industry.

The Professional Golfers Association (PGA) of Australia will hold a tournament in Fiji for the first time in 2014.

This is an opportunity for our nation to shine on the global stage in a major international sporting event that will also be a huge boost to the Fijian economy, broadcasting to more



than 400 million homes.

The Government has made a provision of \$8.6 million this year to support this tournament.

In 2014, we will also introduce a number of incentives to help develop the lucrative backpacking market in Fiji.

We will implement an income tax exemption for locally owned backpacker operations with an annual sales turnover of less than \$1 million.

Coupled with this incentive, duty exemption will be granted for importation of raw materials and equipment used for the construction of backpacker hotels.

## **SUGAR AND OTHER AGRICULTURE**

Protecting and modernising the sugar industry is a key national priority.

The industry that supports the livelihoods of approximately 200,000 Fijians needs to be sustainable, well managed and properly equipped.

I am very proud to announce that this season we produced 179,000 tonnes of sugar, exceeding our target of 175,000 tonnes and representing a 15.5 percent increase in production over last year. As a result, gross profits are up by \$27 million this year. This is wonderful news and a sign that Fiji's sugar industry is truly on the path to recovery.

We are allocating \$8,400,000 for a Sugar Development Program to plant 6000 hectares of new crop in 2014 and harvest a record crop of at least 3.2 million tons in the 2015 season. Our aim is to reach an overall crop target of 5.2 million tons by 2022.

We are continuing our fertiliser program, providing a subsidy of \$5,750,000 to South Pacific Fertilisers Limited. This is to ensure that fertiliser is both affordable and available to farmers at the appropriate application time.

\$2 million is allocated to upgrade cane access roads to ensure a consistent supply of cane to the mills and minimise mill stoppages due to lack of supply. We have also allocated \$600,000 to continue work on the Kavanagasau Bridge upgrade.

Also, a \$1.0 million fertiliser subsidy is provided for non-sugar farmers in the 2014 Budget for the first time.

In an effort to boost production, Government will continue to provide duty-free exemption on agricultural implements and machinery. Additionally, duty rate will be eliminated on all other agricultural items that currently carry a duty rate of 5 percent. Government will also continue to encourage young people to become farmers by extending its agriculture scholarship announced in last year's budget.

I am personally very proud of this program because it encourages our young people to take advantage of Fiji's vast agricultural potential.

Each graduate of the program will receive a loan package worth more than \$70,000 to help them get a new farm up and running. The scholarship program has been allocated \$500,000 this year.

Of course, this year's inaugural class of 49 students is about to graduate, and \$486,000 has been put aside in next year's budget for their loan packages.

We will also continue with our support for agriculture schools by increasing the budget for the operations of the Tutu Training Centre in Taveuni to \$450,000.

And a new allocation of \$315,000 will be provided to support the operations of Navuso Agriculture Training School in 2014.

Funding will continue for the agriculture extension services for both crop and livestock farmers to promote the adoption of innovative farming methods and practices. An increased allocation of \$1 million has been allotted for these initiatives.

\$1 million has also been allocated for the dairy development program.

Funding of more than \$5.7 million will also be provided to enhance food security programs across the country, including those in the coconut, ginger, vanilla, rice and cottage industries.

The Biosecurity Authority of Fiji will be further strengthened with an capital grant of \$3.3 million, an increase of \$1.5 million from last year, to ensure proper border monitoring and policing of harmful pests, animals and diseases.

We will also provide a new allocation of \$500,000 in 2014 for the recruitment of veterinary experts and agricultural specialists.

An additional \$500,000 will be provided for the Brucellosis Tuberculosis Eradication Campaign to control the spread of the Brucellosis disease to unaffected areas outside the Central Division.

## **FISHERIES**

In 2014, my Government will provide \$600,000 for the construction of a new ice plant in Navukailagi village on Gau. This ice plant will also serve communities on the islands of Nairai and Batiki.

The Ministry of Fisheries' staff will be boosted by 25 positions to better monitor illegal, unreported and unauthorised fishing or IUU in offshore fishing areas. This demonstrates our commitment to our international obligations and our policy objectives supporting sustainable development.

## **TRADE**

My Government has formed a number of initiatives and policies to bolster our exports, develop new markets in the region and further afield, and make Fiji more internationally competitive.

To boost Fiji's economic performance, we need to improve our trade with other countries.

In 2014, we will make several major investments in the trade area that will reap big benefits for Fiji. Among these are initiatives to boost trade with our neighbours – Papua New Guinea, New Caledonia and Australia.

\$464,000 is being allocated for the appointment of a Fijian Trade Commissioner in PNG to take advantage of the burgeoning opportunities in our biggest Melanesian neighbor.

And we will allocate further funding to boost our trade with the Melanesian Spearhead Group generally, to take advantage of the increasing the scope of the MSG trade agreement, which will include services and the temporary movement of people.

We are providing \$296,000 for an MSG Investment Road Show and Trade Fair and \$100,000 for an MSG Trade Ministers and Officials meeting.

We are also allocating \$530,000 for a trade and investment promotion mission to New Caledonia and Australia, where we believe there are significant untapped opportunities for Fijians.

Our ongoing Fijian made and Buy Fijian Campaign will continue with an allocation of \$500,000.

And we are providing \$100,000 to implement the Trade Policy Framework. This will ensure that Government ministries and agencies work in unison to achieve our objectives in positioning Fiji as an internationally competitive economy.

## **HERITAGE AND CULTURE**

A nation's heritage and culture are precious resources, and each generation must take care to nurture and protect those things that make us a people. We have a lot to be proud of in Fiji.

As you may be aware, Levuka, our first capital, was named a UNESCO World Heritage Site in 2013. I am immensely proud of this fact, and I wish to congratulate the people of Levuka for this accomplishment and honor.

Government will continue to assist in keeping Fiji's heritage intact. To this end, \$232,000 has been allocated for the maintenance of heritage site schools such as the Marist Convent, Delana Methodist Primary, Levuka Public Primary and Secondary and St. John's College.

An additional \$200,000 is available for the heritage site listing program.

A budget of around \$1 million is provisioned for the development of cultural and heritage activities in 2014, including a long-overdue extension of the Fiji museum in Suva.

We are also providing \$672,000 for the National War Memorial and War Museum.

## **SPORTS AND YOUTH DEVELOPMENT**

Most experts agree that sports are an important element in the development of our youth. Young people learn many things through sport, like personal discipline, perseverance, leadership, and teamwork. This is important, and Government will continue to support sports and youth development next year.

\$2 million will be provided to continue the work that has commenced on integrated rural sports complexes in Rakiraki, Seaqaqa, Vunidawa and Korovou, offering top-level sporting facilities in these rural communities.

We will also construct sporting complexes in Gau and Kadavu and in the 2014 Budget we have provided \$4.1 million to begin work at these sites.

Government will also provide \$200,000 to upgrade rural sporting facilities across the country. Rural schools and communities can apply for grants for this purpose.

Ladies and Gentlemen,

The threshold for the Sports Sponsorship Incentive of a 150 percent tax deduction has been lowered from \$100,000 to \$50,000 to encourage sponsorship of more sporting events in Fiji.

\$2 million is also allocated for the “Engagement of Overseas Coaches Program” to recruit international coaches to help develop Fijian athletes and improve Fiji’s international and regional rankings. Sporting bodies can submit applications that will be assessed on merit. Advertisements for this will be published within the next few weeks.

Any corporate entity that provides additional funding to help recruit international coaches will receive a 150 percent tax deduction on contributions between \$100,000 and \$200,000.

\$500,000 is allocated for hosting international sporting tournaments and \$200,000 is allocated for overseas sporting tours, \$200,000 for sports scholarships, and an additional \$200,000 for sports outreach programs.

The National Sports Commission has been provided \$1 million.

Finally, an allocation of \$200,000 is provided in 2014 for upgrading of the Valelevu sports ground.

Funding will continue for the Youth Capacity Building and Training Program that works to increase employment opportunities for rural youth. \$600,000 has been allocated for this program in 2014, an increase of \$200,000.

An allocation of \$765,000 has also been made to upgrade the infrastructure at various Youth Training Centres, including those at Naleba, Naqere, Yavitu and Sigatoka.

## **DISASTER AND EMERGENCY SERVICES**

We live in a part of the world where intense weather events are frequent and can cause disaster, as every Fijian experienced with Tropical Cyclone Evan less than twelve months ago.

We have learnt to be prepared and that preparedness meant that not a single life was claimed by Evan. But we cannot drop our guard and in this Budget we have made a significant commitment to improving our capacity to deal with these events.

We have allocated \$931,674 to upgrade the Labasa Conventional Radar to a Doppler Weather Surveillance Radar.

We have provided \$280,000 to procure specialised weather equipment for early detection of intense-weather events.

More than \$385,000 has been allocated for upgrading the National Climate Monitoring System, \$200,000 has been allocated for the replacement of automatic weather and climate stations, and \$1 million for FIMS servers and workstation replacement.

In 2014, Government will establish a disaster trust fund for rehabilitation works. The idea is to attract regular contributions from the private sector so that funds will be immediately at hand if and when disaster strikes.

In order to encourage contributions, a 150 percent tax deduction will be given on donations above \$10,000, with a maximum claimable amount of \$100,000.

Government has committed \$2 million in 2014 towards the completion of rehabilitation works for the damages caused by Tropical Cyclone Evan in 2012.

Also, \$1 million is provided for the Disaster Rehabilitation Fund to ensure that a stand-by source of funding is available for immediate response work after natural disasters.

A further \$1 million is allotted for the Disaster Risk and Mitigation Program, which funds the purchase of disaster risk reduction equipment and which also provides for the relocation of vulnerable communities to safer areas.

A separate allocation has been made to the Fiji Police Force for search and rescue operations.

Government has set aside \$2.5 million for the construction of new fire stations in Korovou and Korolevu, which will include the purchase of two ambulances.

An additional \$1 million has also been provided for a total of 264 new fire hydrants spread across Ba, Deuba, Labasa, Lautoka, Levuka, Nadi, Nasinu, Nausori, Navua, Rakiraki, Savusavu, Sigatoka, Suva, Taveuni and Tavua.

## **PUBLIC SECTOR**

### **PEACEKEEPING AND MILITARY**

Fiji's commitment to UN peacekeeping remains unwavering. It is a source of great pride that for a nation of our size, we are able to make a meaningful and significant contribution to the international community.

For the last three decades, we have always responded to the call of the UN to serve in some of the most difficult circumstances around the world, including Lebanon, Iraq, the Sinai Peninsula, and now, the Golan Heights, a disputed territory between Israel and Syria.

While fully recognising the risks involved, we have great confidence in our troops' training and their ability to achieve their mission objectives – a confidence shared by the United Nations.

Currently, 514 troops are deployed to the Golan Heights – more than any other nation – 338 to Sinai, and 239 to Iraq.

Government has provided an allocation of \$39.9 million in the 2014 Budget to help us fulfill our peacekeeping responsibilities. A large part of this allocation will be reimbursed by the United Nations.

We have also set aside \$1.7 million for the relocation of the Nadi 4FIR camp, and \$2 million for the Kiro Patrol Boat Life Extension Program.

### **ENCOURAGING VOLUNTEERS**

Along with our contribution to United Nations peacekeeping, we place great importance on the Fiji Volunteer Scheme, which has seen retired teachers and health workers providing important services to our Pacific neighbours, including Tuvalu, Vanuatu, Marshall Islands and Nauru. \$1 million is provided for the Fiji Volunteer Scheme in 2014.

### **FOREIGN AFFAIRS**

Fiji's standing in the world has never been stronger. We have cemented our position as an independent, sovereign nation able to speak with its own voice within the international community.

This year, Fiji chaired the Group of 77 plus China at the United Nations, the International Sugar Council, as well as ACP trade talks with the European Union.

We recently turned over the chairmanship of the Melanesian Spearhead Group, and have been the driving force behind the implementation of the MSG Trade Agreement, as well as negotiations for an Economic Partnership Agreement with the EU.

In August, Fiji hosted the inaugural Pacific Islands Development Forum. This new regional body will work to develop realistic solutions to the challenges of sustainable development in the Pacific.

But unlike other regional groups, the PIDF gives representatives from civil society a seat at the table. We believe that by including the full diversity of perspective, expertise, and opinion, we will have the best chance of arriving at practical solutions.

My fellow leaders and I agree that we do not want a lavish and expansive secretariat headquarters for the PIDF, the kind too often symbolic of the sprawling and wasteful bureaucracy housed within.

The PIDF Secretariat will be restrained and dignified. A serious place for serious work.

The PIDF Secretariat will be funded initially by Fiji and staffed by representatives of government, civil society groups and business from the PIDF region. \$1.5 million has been allocated for this purpose.

We will also expand our outreach to the international community with the establishment of a new embassy in Geneva, yet another sign of Fiji's growing international standing. A sum of \$2.5 million has been made available for this.

## **GOVERNMENT ACTIVITIES**

Ladies and gentlemen, my Government is committed to reforming and modernising the civil service. Not only do we want to improve the quality of Government services, but we also want to improve people's access to them, especially people who live in rural communities.

Government should not be limited to the confines of major urban centres. It needs to have a presence throughout the country so that ordinary Fijians never feel isolated or cut off from our services.



My Government believes that Government should be for the people, with the people.

Making Government Services easily accessible has been one of the driving principles of our reforms.

So we have embarked on a joint venture with the private sector to restructure and upgrade Government's IT infrastructure to cut costs and improve reliability, efficiency and security.

In 2014, the ITC Department will be provisioned with a budget of \$20.1 million to cater for the upgrade of all Government Ministries and Departments' IT systems.

In the coming year, we will continue work on the revolutionary online portal called "eServicesFiji" through which citizens, visitors and investors will be able to access a whole host of Government services from wherever they have a connection to the Internet.

In 2014, this will include an Investment Fiji application to allow investors "single window clearance" to submit applications, register company names, apply for Tax Identification Numbers and seek RBF clearance, all online.

Government will also finalise the introduction of "FijiPay" and the National Switch to which all banks and financial institutions will be required to connect at the latest by January 2014.

As a result, electronic transactions will be able to take place between all financial institutions and all other entities connected to the National Switch, meaning that consumers and businesses will enjoy vastly improved electronic services and convenience.

Companies looking to provide eTicketing solutions to Fijian bus operators will also have to connect to the National Switch. This will ensure that there will be 100 percent interoperability between all systems that are introduced to the market.

By January of next year, the equal distribution of land lease monies will be implemented through electronic means. Landowners will have the option to have their lease monies paid to individual bank accounts or through the FijiPay system.

\$250,000 has also been allocated for the International Standards Organisation and the Payment Card Industry certification for the Government data centre. This will allow

Government ITC to provide services to the private sector.

We have also made allocations for Fiji's contribution to international communications organisations, such as the International Telecommunication Union.

Ladies and Gentlemen,

\$1 million has been allocated to facilitate further efficiencies and value in state owned enterprises and to facilitate divestment wherever appropriate.

Next year, we will provide funding for the construction of the Kubulau and Namosi Government stations. These stations will offer Government services locally, preventing the need to make long and expensive trips to larger centres, and will ensure efficient and effective service delivery to the local communities. An allocation of \$600,000 is provided for this development work.

Another \$738,000 is provided in 2014 for the construction of district administration offices in Gau and Koro, as well as close to \$509,000 for the re-location of the Kadavu Provincial Council Office.

## **CIVIL SERVICE PAY**

The public service must offer competitive salaries in order to attract and keep the best people.

Government needs to do a better job of competing with salaries being offered in the private sector if we are to secure the best candidates to serve the Fijian people. This has been an outstanding issue for a number of years.

I want to address the issue of the recent increases in pay given to our permanent secretaries. Much has been made of these increases, but I make no apology for them. These senior civil servants manage annual budgets in some cases of hundreds of millions of dollars and they also have increased responsibilities under the Constitution.

And in the private sector they would earn much more. They are required to perform at the highest level or be terminated with one month's notice. All the positions of the existing permanent secretaries are temporary and will be advertised immediately after the 2014 election. With these new pay packages, we hope to attract highly qualified applicants from the private sector and abroad.

Ladies and Gentlemen,

Today, I am pleased to announce substantial pay rises for all of Fiji's civil servants, including all the disciplined forces.

We expect that the new salaries for all civil servants will dramatically raise the overall quality of our civil service and the services they deliver to the Fijian people by attracting talented individuals and by discouraging corruption.

Those civil servants who currently earn less than \$15,400 will receive a 23 percent pay rise. This will benefit more than 14,000 individuals.

The next grade, those earning between \$15,400 and \$20,600, will receive a pay rise of 18 percent. This will benefit close to 6,000 people.

Those civil servants earning between \$20,600 and \$26,700 will receive a pay rise of 12 percent. This will benefit close to 4,000.

Those civil servants earning between \$26,700 and \$34,200 will receive a pay rise of 10 percent, benefiting almost 2,000 individuals.

Principal-level officers earning between \$34,200 and \$46,200 will get an 8 percent increase, and those at the Director and Deputy Secretary level will get raises ranging from 7 percent to 4 percent.

Government Wage Earners and Special Police Constables will receive a 10 percent pay increase in addition to the 10 percent increase they received at the beginning of the year. This equals a total of a 20 percent increase this year for the more than 4,500 individuals in these grades.

All told, Government has allocated more than \$92 million for these pay increases.

## **TAXES**

Tax policy is a critical element of a nation's economy. Taxes must be held at a level that is high enough to sustain the services people expect and require from government.

But they must be low enough to allow the ordinary taxpayer to keep as much of the fruit of his or her labour as possible, allow for private capital to be formed and encourage investment.

If we do this, we will generate more economic activity, which will continue to generate the income Government needs to do what the people expect.

In return, the people have a responsibility to pay their taxes in full and on time. A tax is not just an obligation; it is a contribution every citizen makes to the welfare of his or her country and fellow citizens.

My Government believes that tax policy should remain consistent, to allow individuals and companies to think and plan for the long-term, without having to fear sudden changes in rates.

The bold tax regime announced in the 2012 Budget and built upon last year will remain in effect in 2014 and beyond.

The 2012 Budget took significant steps in liberalising our tax system by reducing personal income tax rates to a maximum of 20 percent, benefiting 99 percent of our individual taxpayers. It also reduced customs duty rates and put in place attractive incentives for foreign investment.

To ensure consistency and remove any anomalies, the social responsibility tax rate which was introduced in 2012 shall be rectified and aligned to the 2013 incremental system. The incremental system shall be backdated to 1 January 2012, and any applicable refund shall be paid.

To assist our exporters and manufacturers, the 40 percent export income deduction will be maintained in 2014.

The corporate tax rate of 17 percent for a company that moves its regional or global headquarters to Fiji will remain in effect next year.

Already, as a result of this initiative, ANZ – the regional banking giant – has moved its Pacific headquarters to Suva.

For many years, there has been a desire to develop the capital market. However, the South Pacific Stock Exchange has remained stagnant for a number of years – in fact, since its inception. It has also failed to attract listings from around the region. It has failed to attract investment by ordinary mums and dads. It has failed to attract successful businesses to list. Ladies and Gentlemen, we need to grow the capital markets. We need to make a paradigm shift. We need to further develop Fiji as a true financial hub.

So today, Ladies and Gentlemen, I announce that from 2014, the corporate tax rate for companies that list or are listed on the South Pacific Stock Exchange will be further reduced to 10 percent, from the current 18.5 percent. Furthermore, any trading of shares on the South Pacific Stock Exchange will be exempt from any income and capital gains tax.

In addition, all consequential gains arising from any restructure, reorganization or amalgamation of private companies for the purpose of listing on the South Pacific Stock Exchange will be exempt from any taxes.

In order to improve the skills of our workforce and provide more opportunities, in particular to our youth, we will in 2014 launch a new apprenticeship program. Under this program, any employer who employs an apprentice while he or she is studying will receive a 150 percent tax deduction for salaries paid to that apprentice.

This is all part of building a smarter Fiji. This initiative is in addition to the 150 percent tax deduction currently available to employers on wages and salaries paid to school leavers for a minimum of 12 months.

My Government will continue to help small and medium enterprises (SMEs) prosper through policies that remove undue burdens and red tape and encourage growth.

So in 2014 we will raise the maximum gross turnover threshold for the SME Incentive from \$300,000 to \$500,000. Under this program, all eligible SMEs with a maximum annual turnover of less than \$500,000 will enjoy an income tax exemption.

By December of this year, we will complete our reforms in the rationalization of fees and business licences to be paid by businesses. The focus of this reform would be to remove the burden on small to medium enterprises and introduce a tiered system of fees and licences. After all, Ladies and Gentlemen, why should small to medium enterprises pay the same amount of fees and licences as larger businesses?

Under the current system, flat rates apply, which means that small family-owned shops face the same fees charged to larger chain stores and corporations. This archaic system charges too much to those who often can't afford it, and too little to those who can.

We will also conduct a similar exercise with hotel and liquor licensing fees so that smaller hotels will pay less.

We will also introduce a system, wherever appropriate, of paying licences and fees in advance and not on yearly basis as is the current practice.

All current zero-rated duties and import incentives will continue next year.

In order to further stimulate economic development, the Tavua to Korovou region will be declared a tax free zone for other commercial activities and not just agriculture and dairy.

We will also replace the blanket 13-year tax holiday for investments of \$1 million or more with a tiered threshold system.

Now, investments between \$250,000 and \$1 million will qualify for a 5-year tax holiday, investments between \$1 million and \$2 million will qualify for a 7-year tax holiday, and investments above \$2 million will qualify for a 13-year tax holiday. This will align it with the Maritime tax free region incentive, which will be maintained until 2018 .

Airport Departure Tax will be increased from the current \$150 to \$200 from 1 January 2014. \$5 from this amount will go to CAAF, and \$10 will be given to AFL. The increased tax will include a \$10 environment levy for Government's obligations and commitment to a clean and sustainable natural world as provided for under the Constitution.

As the Reserve Bank has already been informed, Government will remove the prohibition on credit card surcharges to allow retailers and merchants to pass on surcharges on credit card transactions. This measure will lead to additional revenue of approximately \$15 million.

In the 2014 Budget, Government will provide a blanket tax exemption on all investments in Unit Trusts, Fijian Holding's mutual funds that are particularly popular amongst small investors.

Senior citizens, 55 years old or older, and pensioners earning interest income in bank deposits up to \$16,000 will be exempted from Resident Withholding Tax.

Tax evasion and tax planning by individuals and companies will not be tolerated by my Government. It is equally important that all tax payers adhere to the proper guidelines and pay their taxes on time.

Despite Government's efforts to reduce the cost of certain commodities through duty reductions, the price of many these items has continued to escalate. To address this issue, the Ministries of Finance and Industry & Trade, together with FRCA will form a

Taskforce in the next few weeks to undertake price monitoring and surveillance on key policy items that have been granted duty concession.

Businesses that fail to pass on the concession to consumers will have their concession withdrawn.

To improve compliance and policing of Government revenue collections, the Fiji Revenue and Customs Authority will be equipped with an increased operating budget of \$43.7 million, an increase of \$4.2 million over this year.

## **INDIRECT TAXES**

Ladies and Gentlemen, with respect to indirect taxes, the following duty rates will be introduced in 2014:

- Returning residents, who already enjoy duty free concession for normal household items, can now bring their vehicle to Fiji duty free, provided that vehicle is less than 5 years old or is Euro 4 compliant;
- The existing fiscal duty of 32 percent on food supplements will be reduced to 0 percent, as food supplements include essential vitamins predominantly used by pregnant mothers and senior citizens;
- To reduce health risks from the importation of cheap low quality baby bottles, existing duty of 32 percent on baby feeding bottles will also be reduced to 0 percent;
- To add further stimulus to the shipping industry, the fiscal duty on the importation of spare parts for maritime vessels will be reduced to 0 percent;
- Fiscal duty on importation of all items related to agriculture will also be reduced to 0 percent;
- To promote the domestic fishing industry, the bunker fee of 2 cents per litre will be removed for fishing vessels owned by Fijians. Duty concession will also be provided on specialized fishing equipment which are not currently covered under the concession for the fishing industry;
- Fiscal duty on adult sanitary diapers will also be reduced to 0 percent;

- Duty on prefabricated homes will be reduced from 32 percent to 3 percent, and duty on prefabricated concrete products and iron panels for commercial use will be reduced from 32 percent to 5 percent;
- To provide protection to domestic industries and to generate employment, duty on prefabricated counter-tops will be increased from 5 percent to 32 percent ;
- To combat piracy and illegal sale of disks which includes CDs and DVDs, the duty on imported blank disks will increase from \$1 to \$2 and a new excise duty of \$1 per disk will be levied on locally produced disks;
- In keeping with Government's efforts to reduce NCDs, the excise duty on tobacco and alcohol will increase by 10 percent. In addition, the allowable quantity of cigarettes which can be purchased at duty free shops will be reduced from 250 grams to 200 grams. The minimum age for persons eligible to purchase cigarettes from duty free shops will be increased from 17 years to 18 years.

## **CONCLUSION**

Ladies and Gentlemen, the 2014 Budget continues with the overall policy objectives of my Government. It builds upon the already existing principle of being consistent, transparent, responsible and prudent. Similar to previous Budgets, it provides long-term solutions

It empowers Fijians in a very fundamental manner - whether it's in education, health, jobs, roads, increased opportunities, or improvement in the quality of their lives.

It has meant being prudent with Government finances. It has meant keeping a check on corruption, being smart and savvy, and keeping our focus on the future.

With the increased and revised growth rates and a sound economic framework, we have exciting times ahead of us with new and numerous opportunities. As a nation, we must not let go of these unprecedented opportunities. We must stay the course.

As we prepare for parliamentary elections in 2014, together, we Fijians have the ability to make our nation great.

My fellow Fijians, I commend the 2014 Budget to you all.

Vinaka vakalevu. Thank you.