



2025-2026 National Budget Address

“Theme: Building Security, Stability and Prosperity”
**Deputy Prime Minister and Minister for Finance,
Strategic Planning, National Development & Statistics
Honourable Professor Biman C Prasad**

Friday, 27 June 2025

Honourable Prime Minister;
Honourable Cabinet Ministers;
Honorable Assistant Ministers;
Honourable Leader of Opposition;
Honourable Members of Parliament,
Invited guest and
Fellow citizens.

Opening Remarks

1. Mr. Speaker Sir, I rise to present the third national budget of the Coalition Government -- a significant milestone that underscores the strength, maturity and stability of our Government led by the Honourable Prime Minister, Sitiveni Rabuka.

2. This budget is framed in an extraordinary global environment. As small island states seeking solidarity in the global economic environment, we face instead a moment when the foundations of global economic order stand fundamentally shaken. We find ourselves at a moment of political uncertainty arising from the Middle East conflicts including the Israel-Iran conflicts of an intensity we have not seen for decades. We are also challenged by geopolitical contestation that is playing out in the region with growing consequences for our economies.
3. This budget is a practical and a deeply measured national response to these extraordinary circumstances in which we find ourselves. It reflects our intent to protect our citizens, our businesses and our communities with purpose and with clarity. Purpose, because we understand the scale of the global challenges. Clarity, because we know that protecting our citizens, businesses and communities is our primary duty.
4. The budget is amplified with purpose and clarity. This is done in three ways. Firstly, we expand our foundational premise of trust that we introduced through our first budget as a new Government. Given everything, we know about a frightening global context, given everything we heard from our citizens over the past few months - this is our response. Nothing is hidden from any of you. Nothing is held back. The policies and programs we propose arise from our conversations with the people of Fiji. For these conversations, on behalf of the whole of Government, I offer my profound thanks to all our people who travelled to meet us and offered their views, often thoughtful, often also

critical, but always valuable, to us as a barometer of our people's hopes and concerns.

5. Second, the budget deepens our resolve to strengthen our democratic institutions. We will overcome our economic challenges not through coercion and fear, but through transparency, open discussions and by building strong institutions. We said that when we came into Government in late December 2022. We have hardwired that into the DNA of our budget.
6. Third, our budget proceeds on that quintessential belief of this government that everyone matters equally. All citizens, of all ages, our youngest to our oldest, men and women, boys and girls, those differentially abled, from all our ethnic and religious groups and from every part of our country - those living across the road to those living in the most distant part of our great country.
7. Mr. Speaker, our 2025-2026 Budget reaffirms our deep convictions as well that many of the solutions to our national challenges lie in our determined international action. Only this week our Prime Minister joined the Melanesian leaders and our Pacific Island states in calling for fundamental changes to the international financial architecture so that it begins to work for small states. We are determined to work with great urgency in seeking transformations in the quantity and quality of climate finance available to countries like Fiji, who find themselves on the frontlines of climate change and to the growing loss and damages arising from climate change. This week, we join our colleagues at the UN in Seville, Spain to seek fundamental changes in the universe of international development assistance and in

securing a new global consensus on the task ahead. This budget is framed with these commitments at its core.

8. Two and a half years ago, our Coalition Government was new and untested. We were grappling with many challenges – an unsustainable level of Government debt, deep challenges to the revenue base and the need to create a new political environment, in line with our election promise, in which once again the people had a voice and were able to be heard, in an atmosphere where dissent was tolerated and alternative views respected. Our public servants lived in fear of instant dismissal, restricting the strategic and policy advice they could give to their Ministers. The business and investing community lived in a state of constant uncertainty, unsure of what new policies and tax measures every new Budget would bring. Those days are long behind us.
9. Let us also reflect on a fact which is both cautionary and optimistic. This is the first time in our post-independence history of almost 55 years that a democratic transition in Government from one group to another has lasted for more than a year. While this does not speak well of our history, it does suggest a new beginning of democratic resilience and progress. We have had our own challenges, but the coalition has always stood strong, united by the shared commitment to serve and deliver for our people. This has created further confidence in the country.
10. As we head into the presentation of our third Budget, we are, as a once new Government, more confident now. We have been tested in many ways. We have felt the weight of expectations of our people. We have listened to them as

they challenge us to meet those expectations, including the cost of living, on incomes and on challenges such as housing and health.

11. And, as we recognise, we are no longer the new Government. We have not met every expectation. We face criticism and dissent. It is clear that there are high expectations on us to deliver – such as a new Constitution that truly reflects the will of the people, not the dictatorial governance ideologies of a few.
12. And as we would expect, the challenges are multiplying, sometimes for reasons our country is too small to control. Global insecurity and conflict directly impact our cost of living, our supply chains and even the safety of our peacekeeping soldiers and Fiji citizens who live and work overseas. And while we cannot control many of these issues, it is our job to respond to them, often at significant cost to the Government. As always in every Budget, we must apply our limited resources to unlimited demands. But also as a Government we must try to use economic policy to influence those outside of government – investors, employers and non-government organisations – to help us achieve our social and economic goals.
13. Before I go on, I want to emphasize some of the fundamentals of good economic governance that we have tried to entrench since we came into Government.
14. The first of these is a realistic approach to Government revenue. Government must have the money it needs to manage the public debt. Our Government did not create the unsustainable public debt that we inherited in 2022 –

but it is our job nonetheless to manage it. The increase in Value Added Tax in the 2023-2024 Budget may have been painful but necessary. We imposed additional costs on the business community with a rise in corporate tax to 25% and the tourism industry has had to bear the burden of increased departure tax. These measures have helped to stabilise Government finances and begin the slow but necessary process towards sustainable public debt. We are not there yet. We still have work to do.

15. However, just as important to economic management are confidence-building measures for those who invest and employ in Fiji, as well as consumers and beneficiaries. We have tried to normalise the idea that Government economic policy is not a secret. We have been open about our plans and policies. We do not hide them. Our aim is to ensure that we have economic and fiscal policies which are transparent and predictable, not secrets to be kept back until the last minute while we discuss last-minute measures with business cronies. We have already told investors and employers that the Budget will contain “no surprises”. We want them to be confident that they can invest and increase their activities in an atmosphere of business certainty.
16. For workers, consumers and beneficiaries, we have worked hard to ensure that they are protected from rising costs. Against the economic advice from the Fiscal Review Committee, we exempted 22 basic consumer items from VAT, including prescription medicines. We increased the minimum wage and increased social welfare payments. We introduced the back to school support to ensure that our children were well-prepared for the new school year as they embark on their most critical challenge – to get the best

possible education.

17. Mr. Speaker Sir, when we came into Government we had a clear focus from the start. Our foremost task was to foster an open and inclusive political and economic environment. One where every voice is heard, and governance and economic policy making is shaped by participation and transparency.
18. We were focused on fixing our economy and putting it on a stronger foundation, bringing back our debt levels to a path of sustainability, creating decent and meaningful employment, rebuilding critical public infrastructure long neglected and improving overall public service delivery. But all this required substantial resources, focused attention and of course, time.
19. I am pleased to say that as a government we have made significant progress and before I turn to the details of the 2025–2026 Budget, I wanted to reflect on this journey which has set the foundations for this budget.
20. A key milestone of this Government was the development of the new National Development Plan shaped through extensive, nationwide consultation. This Plan is now ready for implementation and will serve as the blueprint for Fiji's development in the years ahead. Unlike the previous 2017 Development Plan, which was imposed without much consultation, this new Plan was developed in a structured and inclusive manner and is accompanied by clear implementation strategies, including robust monitoring and evaluation mechanisms. Major investment projects linked to the Plan will be discussed in the latter part of this speech.

21. Mr. Speaker Sir, since taking office, this Government moved swiftly and decisively to restore freedom. We removed the draconian media act and brought back media freedom. The public service broadcasting grant and Government advertising are now shared more equitably to create a level playing field--rather than using taxpayer funds to prop up the state broadcaster for Government propaganda.
22. We restored workers' rights that had been curtailed. Tripartism in labour relations was reinstated, and unions were made free. We gave justice to our FNPf pensioners who had been fighting since 2012 unilateral reduction in their pensions. We ended the longest strike in the world by compensating the workers of Vatukoula Gold Mine who were on strike for 33 years.
23. We gave justice to our workers in Fiji Airways, Air Terminal Services, FRCS and other entities who were unfairly treated and dismissed during the COVID-19 pandemic. We took decisive action to increase the minimum wage rate to 5 dollars an hour and the 10 wages councils were restored for fair wage determination.
24. Mr. Speaker Sir, we have strengthened our democratic institutions starting from this Parliament where the opposition is now free and well-resourced. This was not what we had during our time in Opposition. We have brought back bipartisanship in our parliamentary governance. We have strengthened the Office of the Speaker, Office of the Leader of Opposition and the parliamentary committees with better resourcing and

support. The Code of Conduct Bill, Accountability and Transparency Commission Bill and Access to Information Bill have all been brought before this Parliament to improve transparency, accountability and good governance in public administration and politics.

25. We have strengthened our civil service with better remuneration, permanent employment tenure and increase in the retirement age. We have invested in the training and capacity of our civil servants who had suffered from under investment over the years. We have made the civil service more independent and removed the political interference which used to be there in the past.
26. We have invested in our judiciary, police force, DPPs office and the Office of the Auditor General. These are independent institutions crucial for a well-functioning democracy. We will continue to further strengthen the independent state institutions with the right level of resources and ensuring its full autonomy is protected.
27. Mr. Speaker Sir, in terms of economic fundamentals we are now on a much stronger footing than we were two and a half years ago. When we came into office, Fiji was at a precarious economic crossroad. The devastation from the COVID-19 pandemic and the years of poor economic management had taken our public debt to an unsustainable level. Public infrastructure was broken, and service delivery had deteriorated. Socio-economic challenges worsened and investor and business confidence had plummeted.
28. Our first priority was to restore macroeconomic stability, rebuild trust in economic policy making institutions, and

chart a path towards sustainable and inclusive growth. We focused on achieving fiscal sustainability and reducing the public debt burden.

29. We took decisive revenue reforms including tax reforms but also protected the vulnerable through targeted support measures. Within a short span of time, we managed to bring down the debt to GDP ratio from over 90 percent to below 80 percent.
30. We raised the income of our people, not only through a decisive increase in the minimum wage rate to 5 dollars an hour. But we injected \$85 million to support the increase in public sector wages that had remained stagnant since 2017.
31. We raised social welfare allowances, pensions and aftercare payments by 15 percent across the board and by 25 percent for those above the age of 70, receiving social pensions.
32. We delivered a record-high cane price of \$105 per tonne to our sugarcane farmers, \$20 more than the guaranteed price of \$85 per tonne. We provided higher prices for other agricultural produce giving our farmers a better return for their hard work and keeping rural economies vibrant.
33. We maintained zero rated VAT on 21 items and added prescribed medicines to make it 22 providing relief to consumers valued at over \$500 million in the last 2 years. The 22 items, including flour, rice, sugar, canned fish, cooking oil, potato, onion, garlic, baby milk, powdered milk, liquid milk, dhal, tea, salt, soap, soap powder, toilet paper,

sanitary pads, toothpaste, kerosene, cooking gas, and prescribed medicines remain at zero VAT.

34. To empower our young graduates, we took the bold step of writing off over \$650 million in tertiary student debt for over 53,000 students, increasing the disposal incomes of thousands of families.
35. Through the \$200 back-to-school initiative we supported over 210,000 students and their families with nearly \$130 million in direct support.
36. We maintained essential social programs such as free education, free bus fares, subsidized dialysis, first-home buyer grants and free legal services.
37. Mr. Speaker Sir, we significantly scaled up investments in healthcare, agriculture, and critical infrastructure, paving the way for long-term resilience and providing the enabling environment for income-generating opportunities for our people.
38. Mr. Speaker Sir, we supported the private sector through an open, transparent and consistent policy making environment that ensured tax certainty, streamlined approvals and record low interest rates.
39. Investor confidence rose and the pipeline of our major investment projects looks promising. As a result, we now have 177 active projects valued at \$5.8 billion, of which 16 have already commenced operations and 73 are under construction. These include landmark developments like the Sofitel Vatu Talei Hotel in Nadi, a new submarine cable

project by Google, and resort projects across Rakiraki, Naisoso, and Labasa. In addition, we have a new 80-acre pilot project in Vanua Levu led by Fiji Water and the upscaling of coffee production in Ra Province through ONA Coffee.

40. Mr. Speaker Sir, post pandemic the tourism industry rebounded strongly, reaching record highs in visitor arrivals and tourism earnings. Wholesale and retail activity boomed as income levels rose, and consumers had more spending power. Subsequently, our economy recovered much faster than projected since 2022.
41. Economic growth in the last 2 years have been strong. The economy grew by 7.5 percent in 2023 and by 4.0 percent in 2024. This has been underpinned by robust growth in visitor arrivals, strong household consumption supported by rising income and remittances, sustained government expenditure, and improved business confidence.
42. Foreign reserves now stand at \$3.7 billion, and liquidity in the banking system is high at \$2.1 billion. This reflects a resilient financial position which is supporting a low-Interest rate environment conducive for private sector investment and household spending. Our financial system remains strong and well-capitalised with notable decline in non-performing loans.
43. Mr. Speaker Sir, following a period of increase in prices underpinned by global price hikes and domestic supply challenges for certain items, inflation has stabilized. Inflation, which once threatened household budgets, dropped to 1.3% in 2024 and stood at 0.1% in May 2025

compared to 5.1% in 2023. With the policies that will be unveiled in this budget today, we expect cost of living to come down further.

44. Mr. Speaker, while domestically the economy is on a strong footing, there are major global headwinds ahead. The Macroeconomic Committee earlier this month revised the 2025 growth forecast slightly downward to 3.2 percent, from an earlier estimate of 3.4 percent.
45. This marginal downward revision reflects early signs of global uncertainty associated with escalating tensions in the Middle East and the uncertainty over US tariffs. These factors may cause major disruptions to global supply chains and put upward pressure on prices. While we should not panic, it is important that we are prepared.
46. The good news is that our economic foundations remain strong and in the last 2 years we have created the fiscal space which will help us navigate through this uncertain global environment. We are therefore proactive and have formulated the budget in anticipation of these global headwinds.

2025–2026 Budget Framework

47. Mr. Speaker Sir, the 2025-2026 Budget is an expansionary budget with a total revenue of \$3.9 billion, total expenditure of \$4.8 billion, and a net deficit of \$886 million—equivalent to 6.0 percent of GDP. Consequently, our public debt is projected at \$11.7 billion which is around 79.8 percent of our GDP, about 10% lower than what we inherited in 2023.

48. This expansionary fiscal stance is deliberate. It reflects the bold decisions we are making today to protect our people, make our economy more resilient and continue to build our much-needed infrastructure and productive capacity.
49. This higher deficit and Government expenditure to counter the impact of global headwinds is only possible because we took the bold measures in the last 2 budgets to create the fiscal space. We kept our actual deficits at an average of around 3 percent, lower than budgeted and much lower than under the previous regime.
50. Only through this prudent fiscal management have we been able to rebuild our fiscal space and buffers and are now able to respond to an anticipated global shock through increased expenditures.

Addressing Cost of Living

51. Mr Speaker Sir, to cushion the impact of external price pressures on cost of living, we are making some bold decisions today.
52. VAT is being reduced from 15 percent to 12.5 percent, effective 1 August 2025. This reduction in VAT will deliver tax relief of \$250 million to our people. This is in addition to the \$250 million in relief provided through the continuation of the zero-rated VAT on the 22 essential items. So, Mr. Speaker that is a total of \$500 million in VAT relief for our people.
53. Mr Speaker Sir, as we have been saying, some of our domestic manufacturers and producers have been

receiving heavy tariff protection for decades. Tariff protection should be temporary, targeted and transparent. With heavy tariff protections, inefficiencies creep in and there is lack of incentives to bring down prices.

54. While over the years these protections have been gradually reduced, there are some industries that continue to be heavily protected. We have been seriously reviewing this and where necessary we are ready to break these protections for the benefit of our consumers.
55. As a result, we are taking a number of measures in this budget. Tariff on chicken portions and offals (giblets, liver) which used to receive 42 percent protection was reduced to 32 percent. After careful consideration, we are further reducing that to 15 percent in this Budget.
56. Fiscal duty on frozen fish, including salmon is reduced from 15 percent to 0 percent, similar to canned fish, like salmon and sardines.
57. Fruits and vegetables such as tomatoes, cabbage, lettuce, cucumber, eggplant, pumpkin, banana, avocados, mandarins, watermelons and pawpaw will continue to attract only 5 percent duty while other fruits and vegetables like apples, carrots, grapes, oranges, pears, celery, capsicums, mushrooms, kiwifruits, cauliflower, broccoli, nuts, etc not available in Fiji will continue to attract zero duty.
58. Every day use items like potatoes, garlic, onion, tea, cooking oil will continue to attract zero duty. Duty on lamb products which was reduced to zero percent will continue,

while reduced duty for beef, ducks, corned mutton, corned beef and canned mackerel which was reduced from 32 percent to 15 percent in the last budget will continue.

59. Mr. Speaker Sir, we will maintain the 5 percent duty on dairy products like liquid milk, powdered milk, yogurt, cheese and butter. These products used to receive 32 percent protection under the previous Government which provided a 10-year exclusive tariff arrangement to one private company. Now anyone can import these dairy products at 5 percent.
60. Mr. Speaker Sir, at a time when Government is giving away over \$500 million in taxes and duties to help ordinary Fijians, we need our business community to support Government and pass these reductions to our people. This support is meant for the consumers, and it is unjust and unethical for businesses to pocket these reductions and deprive our ordinary people of the much-needed price relief.
61. We have seen this in the past, but this time it will not be tolerated. This is a stern warning to all businesses that are thinking of pocketing these tax and duty reductions. A joint enforcement taskforce made up of the Fijian Competition and Consumer Commission, Consumer Council, FRCS and the Ministry of Finance has been set up to monitor prices closely on the ground to ensure the benefits of tax reductions are passed onto our people.
62. This taskforce, where necessary, will propose immediate policy response measures like imposition of price controls on new items, reductions or even removal of tariff protections provided to our local manufacturers and

producers who are unreasonable with pricing, and even harder punitive measures including fines to ensure compliance with the law.

63. Mr. Speaker Sir, Government is also actively working with the Biosecurity Authority of Fiji (BAF) to dismantle long-standing trade barriers and open import pathways for key food products. The current system, while designed to protect Fiji's environment and biodiversity, has become too restrictive in some areas. For instance, Fiji is presently able to import whole frozen chicken only from New Zealand, even though there are countries producing competitive and safe poultry products.
64. Similarly, ghee, a staple item in many Fijian households, cannot currently be imported from India, one of the world's most significant producers and exporters of dairy products. There are several food items like this which can only be imported from one or a few selected countries. These restrictions have contributed to higher food prices and reduced consumer choice.
65. We are undertaking a comprehensive review of import protocols, engaging with trusted international counterparts, and ensuring that food safety is not compromised as we expand the list of countries and suppliers we can trade with.
66. The goal is to introduce more competition into our supply chains, reduce reliance on a few suppliers, and enable businesses and consumers alike to benefit from greater affordability and variety.
67. These reforms are a critical part of our broader strategy to

lower prices across the board—by addressing not just taxes and duties, but also the structural constraints that limit supply and drive-up costs.

68. Mr. Speaker, in this budget we are also responding to cost-of-living challenges through targeted expenditure support measures:

- All social welfare recipients and Government pensioners will receive a 5 percent increase in their monthly allowances. This is in addition to the across-the-board 15 percent increase we had provided in the last budget. A total funding of \$220 million is provided, an increase of \$10 million. Aftercare Fund members will receive a \$0.8 million increase in their medical allowance only.
- All civil servants will receive a 3 percent pay rise. This is in addition to the 7 to 20 percent increase provided in the last budget. This is a direct cash injection of \$115 million into household incomes, \$85 million from last year's increase and \$30 million in this budget. This pay rise will be effective from August 2025. This means that civil servants would have received a total salary increase of between 10 to 23 percent pay rise within a year.
- We will provide a 10 percent bus fare subsidy for all Fiji citizens for a 12-month period starting from August 2025 to July 2026 at a cost of around \$10 million. This means that every individual travelling by bus will now pay 10% less in fares. However, the bus companies

will still receive the current regulated fares as Government will pick up the 10 percent cost. Apart from providing relief to our people, this will also encourage more people to use public transport.

- Students will continue to travel to school for free with blue cards while the 50 percent subsidy will continue for all other students with an increased budget of \$50 million.
- The \$200 Back-to-School Assistance will continue and will be paid in January 2026 before the start of school year, with an allocation of \$40 million. With this, over \$170 million would be provided through our signature back to school policy.
- Mr. Speaker Sir, we are introducing a new initiative to support farmers and leaseholders earning less than \$50,000 per annum to receive a lease premium subsidy of 30% or up to a maximum of \$7,500, for lease renewals. To support landowners, the Committee on Better Utilisation of Land (CBUL) initiative is restored. This will provide an additional 4 percent lease rental payment to our landowners taking it to a total of 10 percent of the Unimproved Capital Value (UCV). We will also support TLTB with funding to develop access roads to TLTB leases making it more accessible and productive. Around \$9 million is provided for this.
- We are again providing \$4 million to support the reinstated FNPF pension payment for those

pensioners affected by the 2012 pension reforms; and

- A total of \$25 million is provided for provision of free water, free medicines and 50 percent electricity subsidy.

69. Mr. Speaker, altogether this comprehensive cost-of-living package by the Coalition Government in this budget amounts to over **\$800 million** in direct support—through tax and duty reductions, social welfare increases, transport subsidies, civil service pay rise, and targeted support for households. These measures reflect our determination to put people first and to provide real relief and protect the vulnerable.

Crime, Drugs and HIV

70. Mr. Speaker Sir, keeping Fiji safe and protecting the well-being of all Fijians is a fundamental responsibility of the Government. In recent years, the growing threat of illicit drugs, rise in criminal activity and alarming increase in HIV cases (due principally to rise in drug use) have emerged as serious national challenges.

71. These are complex social issues that need a whole of nation response. We need to tackle this head on and in a coordinated way and we call upon everyone to join us in the fight against drugs, crime and HIV.

72. Mr. Speaker Sir, the 2025–2026 Budget introduces a series of measures aimed at strengthening policing and law enforcement, curbing drug use, HIV and crime. We are starting by strengthening our security institutions to be more

responsive, better resourced and well prepared.

73. Early this year, Government established the new Ministry of Policing which is provided a budget of \$3.8 million in this budget. The establishment of the Ministry of Policing signifies a strong commitment and dedicated focus on rebuilding public trust and confidence in law enforcement.
74. The Narcotics Bureau under the Ministry of Policing will lead Fiji's fight against drug trafficking and substance abuse. The Bureau will lead inter-agency coordination and enforcement efforts and will focus on intercepting narcotics at our borders, cracking down on drug rings, and providing better data and intelligence to guide interventions.
75. Mr. Speaker, Sir, we are going to strengthen our border protection. This is critical for our sovereignty, our economy and the safety of our people. Over the past year, the Fiji Revenue and Customs Service and other key border management agencies have made significant strides driven by better intelligence, capability enhancement and collaboration with our international partners.
76. The construction of a new Container Examination Facility is under way and will greatly enhance our ability to detect concealed contraband. We are expanding our K9 detection capability to Savusavu under the Duavata Agreement with New Zealand and extending critical assets to our maritime borders.
77. In the seas, we have deepened our coastal enforcement capability through joint raids, vessel rummages, and the procurement of new patrol boats under the Vuvale

Partnership with Australia. This has strengthened our maritime response and surveillance reach.

78. Mr. Speaker, Sir, our resolve is clear: we are investing in smart, coordinated border protection that delivers results. This year, FRCS has established a dedicated Passenger Information and Intelligence Unit, improving our ability to target high-risk passengers and vessels.
79. Our frontline officers are being equipped with new, state-of-the-art tools to carry out their duties more effectively. Regionally, we have led the way in endorsing an intelligence-sharing platform through the Oceania Customs Organisation, a landmark step to combat transnational crime.
80. To further enhance maritime oversight, Fiji is developing a Maritime Single Window and a Yacht Management System, building on the success of the Small Crafts App already used across the Pacific. These strategic partnerships, advanced tools, and regional cooperation efforts reflect our steadfast commitment to building a secure, modern, and responsive border regime — one that upholds national security, facilitates trade, and ensures a safer future for all Fijians.
81. Mr. Speaker Sir, with the drug trade comes dirty money and we are strengthening measures to identify and tackle this.
82. Currently, individuals can open mobile wallet accounts without a Tax Identification Number, and SIM cards can even be purchased with only a photo ID. These loopholes enable tax evasion, money laundering, and underground

economic activity through digital wallets. To address this, all mobile wallet account holders will be required to register with a TIN and a six-month transition period will be provided to allow for full compliance.

83. Government will also introduce a mandatory Asset Declaration regime for all registered sole traders in Fiji. Beginning with the 2025 tax year, all sole traders will be required to submit an annual declaration of their assets and liabilities, alongside their income tax returns. This will include movable and immovable assets, loans, and sources of income. This measure will help build a culture of financial transparency, reduce tax evasion, and enhance the integrity of our economy.
84. For maintaining internal security, Mr. Speaker Sir, the Fiji Police Force is provided an increased funding of \$240.3 million in this budget, an increase of \$13.5 million.
85. Today we are making a major announcement to strengthen the capability of our Police Force. Government has agreed to increase the size of the force by an additional 1,000 personnel, taking the full strength of the Police force to more than 6,550 across all ranks. This is 1 officer to 137 people-meaning 730 officers per 100,000 population- the standard acceptable number around the world is around 300 per 100,000 population. We are more than double.
86. This is a major investment and will be done in two phases at an additional cost of around \$40 million. For the first phase, \$19.5 million is provided in this budget to commence the recruitment of 538 additional officers, on top of around 300 vacant positions that will be filled. This would mean an

extra manpower of over 800 officers immediately. This added strength should now provide a much bigger police visibility, mobility and presence around the country.

87. We are also pleased to announce that government earlier this month had also approved additional funding of \$8.6 million to the Fiji Police Force for their salary progression which will continue.
88. Mr Speaker Sir, let me move to a very serious issue, which if not managed well could be a health disaster in the making. The HIV epidemic is now a serious growing threat to Fiji. There are now approximately 7,000 HIV cases in the country, and we cannot afford to ignore this rising trend.
89. We are told that drug use and needle sharing is responsible for 50 percent of the increase in cases. So, while we continue to struggle with the drugs issue, this new threat is rising rapidly, induced by sharing of needles and drug related blood transfusion or what is known as blue-toothing.
90. To fight this, Government is allocating \$10 million for a comprehensive approach to testing, prevention, public awareness, and controlling the spread of HIV. We are determined to tackle this health emergency before it becomes an uncontrollable national crisis.
91. Mr. Speaker Sir, these actions represent a clear and coordinated response to crime, drugs, and public health threats. We are investing in our police, building institutional capacity, strengthening border control, closing regulatory loopholes, and promoting transparency.

92. Above all, we are making it clear that safety, security, and the health of our people are national priorities—and we will act decisively to uphold them.

Education

93. Mr. Speaker Sir, education remains the most powerful investment we are making in the future of our nation. In this budget, we are allocating \$847 million to the education sector. The Ministry of Education is allocated \$675 million, which includes \$86.5 million for higher education institutions. In addition, \$153 million is provided for tertiary scholarships.
94. Mr. Speaker Sir, over the past two years, Government has undertaken one of the most extensive school rehabilitation efforts in our nation's history. Over 84 schools across Fiji have been renovated, repaired, and upgraded—many of which had suffered damage from past cyclones or had long been in a state of disrepair. Classrooms have been rebuilt, sanitation facilities improved, and learning environments modernised to ensure our children have access to safe, clean, and resilient infrastructure.
95. Mr. Speaker Sir, in this budget we are undertaking major reforms in the way we fund our schools, based on our extensive consultation across the country and feedback from school management and committees.
96. From this budget onwards, we will make the use of the free education grant fully flexible. This means school managements will now have full autonomy over how the free education grant is spent. The current rigid rules—such

as limiting only 20% for building and compound maintenance, 15% for IT equipment, or 30% for administrative and office expenses—will be removed.

97. Schools will be empowered to decide how best to use the grant. For instance, they may choose to use 90% for school expansion or allocate none for maintenance if there is no immediate need. School management will have the full freedom to plan their spending, save funds, or even borrow against the grant for major investments.
98. We are placing the trust in our school heads and leaders of our school management committees because they are best positioned to understand and respond to the needs that will drive better teaching and learning outcomes. The Government will continue to provide teachers and student support, while schools will manage infrastructure and operations.
99. A total of \$65 million has been allocated for the free education grant for more than 225,000 students.
100. We will also remove the current restriction that limits school fundraising to once per year and that too, with the approval of the Government. Fundraising will now be open and flexible, but voluntary. This approach will foster stronger community partnerships and greater parental involvement, as was the case in the past. We believe restoring this partnership will promote a deeper sense of ownership and engagement in the education of our children.
101. In addition to these funding reforms, we will strengthen school leadership. We are providing the School

Management Association with a first-time funding grant of \$500,000. This will support capacity development and leadership training for school managers. Furthermore, we are providing \$300,000 each to the Principals Association and the Head Teachers Association for the first time to encourage better professional coordination.

102. Mr. Speaker Sir, teachers are the bedrock of our education system. We must invest in their training, support their welfare, and ensure we attract the best talent to this noble profession, as the future of our children and our nation depends on them.
103. In the last budget, all teachers received a pay rise. We are increasing that further across the civil service by an additional 3% in this budget. We also plan to recruit 1,125 new teachers. This includes 962 secondary school teachers, 117 primary school teachers, 41 early childhood education teachers and 5 special education teachers.
104. We are recognising the critical role of Early Childhood Education (ECE) by funding ECE teachers on a full-time basis. Although ECE classes typically run for half a day, these teachers contribute significantly to the broader school environment. We will now regularise their appointments, placing them on equal footing with other teaching staff and granting them access to financial services such as loans and mortgages, opportunities that were previously inaccessible.
105. A total of \$416 million is allocated for teacher salaries in the upcoming financial year.

106. Mr. Speaker Sir, the school curriculum is also under review. We will be making vernacular language study compulsory up to a certain educational level. This would acknowledge the vital role language plays in identity, inclusion, cognitive development, and in preserving our nation's rich multicultural heritage.
107. Mr. Speaker Sir, through the Government's transportation assistance scheme, we continue to support students in travelling to and from school, either by bus, rural service operators, or boat transport.
108. A few months ago, the Fiji Competition and Consumer Commission increased student bus fares, aligning them with adult fares. The Cabinet promptly decided that this change must not burden any student or their families. Therefore, for students from households with an income below \$16,000 (those with blue cards), the Government will continue to cover 100% of the adult fare. For students with yellow cards (parental income above \$16,000), Government will provide a 50% subsidy. This means that no child or parent will bear any additional cost, even though fares had doubled.
109. However, this commitment comes at a higher cost. Therefore, we are increasing the student transport assistance budget to \$50 million, up from \$37 million in the previous budget – an increase of \$13 million.
110. Mr. Speaker Sir, we are also tightening the management of the transport assistance program to prevent abuse. Top-ups will now be available only to students with active FEMIS IDs. Once a student leaves school, their subsidy will

automatically cease.

111. Mr. Speaker Sir, in the last budget we made a significant reform to tertiary education funding by removing the \$650 million debt burden on over 53,000 tertiary students and replacing it with a proper bonding mechanism to ensure that these students serve the taxpayers that paid for their studies.
112. We then replaced the loan scheme with a full merit-based scholarship scheme that ensures no unnecessary burden on young tertiary graduates and their families, better quality graduates, high completion rates and clear alignment with the labor market needs.
113. Mr. Speaker Sir, in the 2025-2026 Budget, Government is allocating \$153 million to fund tertiary studies for 24,653 students, which includes 11,593 continuing students and 13,060 new students. This will be a historically high number of students under full scholarships.
114. Mr. Speaker Sir, the Government has also reviewed the scholarship allowance for our students as it has been unchanged since 2014. The new increased rates are as follows: -
 - For Merit Based High Achievers Local Scholarship, the scholarship allowance will be increased from \$6,800 per annum to \$7,600 per annum.
 - For other Merit Based Schemes where students are from outside the campus city, the allowance will be increased from \$5,000 per annum to \$5,600 per annum.

- For other Merit Based Schemes where students have their home in the campus city, the allowance will be increased from \$3,000 per annum to \$3,200 per annum.
- For Students with Special Needs Scheme, the allowance rate has been increased from \$6,800 per annum to \$8,600 per annum. This is to accommodate travel costs and purchase of special gadgets for study purposes.
- We are also introducing Equity and Inclusion Based Allowance which is to accommodate students from low socio-economic background particularly for students whose both parents are deceased and are either taken care by legal guardian or staying in home care. These students will receive an additional allowance of \$1,000 per annum. This is applicable to students on Home and Away Campus Allowance and students will be required to provide necessary documents.

115. Mr. Speaker Sir, to ensure quality and alignment to labour market needs, Government had introduced a minimum cut off mark of 250 out of 400 in year 13 for all degree programmes. To bring some equity in our scholarship scheme, the cut-off mark for students from rural and maritime zones will be reduced to 240. This will provide equity for rural & maritime school students considering the disparities in resources and other inherent challenges with remoteness.

116. Mr. Speaker Sir, considering the current labour market

needs we are ramping up our funding support towards technical and vocational training. The number of TVET scholarships is being increased from 2,780 to 4,500. To ensure inclusivity we are also expanding the TVET scholarships to students with special needs, similar to the existing provisions for higher education.

117. Mr. Speaker Sir, we are also expanding the Micro Qualification Grant Scheme to new areas and increasing the total number of awards to 3,000. This initiative has been very successful in targeting early school leavers, unemployed youths and adults with micro credentials following 1 to 3 months of competency-based training.

118. Apart from construction, tourism and hospitality and automotive, the following additional 5 categories will be added. These include:

- Traditional Handicraft Making with 300 scholarship grants for training on basics of Wood Carving, Tapa or Masi and Weaving;
- Performing Arts with 200 scholarship grants for improving Dance and Song for the entertainment industry;
- Community Tailoring with 300 scholarship grants for training on Basics of Sewing;
- Women Small Business Operations with 100 scholarship grants for training on basics of Bookkeeping and Marketing; and
- Vocational Literacy and Numeracy with 1000 scholarship grants for 3 months of training for early school leavers intending to pursue vocational certificate

III and IV.

119. Mr. Speaker Sir, for overseas scholarships, apart from degree and post graduate programmes, we are now expanding it to allow students who wish to undertake TVET qualifications in Australia and New Zealand. This is only for TVET training not available locally and of national priority such as in the area of Water and Sewerage, Manufacturing, Nautical Science, Hydrology and Aviation Management.
120. Also starting from the new financial year, \$3,000 per student will be allocated for visa lodgment and processing. TSLS will engage a licensed agent to get visas processed on time and send students before commencement of classes.
121. Apart from this, the meal allowance has been increased from \$150 per week to \$250 per week, commencing from Semester 2 of 2025. Stipends will be paid directly to students account, and they can decide on renting out or staying in hostel.
122. To bring sustainability to our scholarship programmes and also provide flexibility to students for reduced bond period, a new initiative of Contribution Scheme will be introduced. Under this new scheme, we will allow students to apply for partial tuition assistance on a cost sharing basis where TSLS will pay 50% of the tuition fees while students will take care of the remaining 50% of the tuition fees. This scheme will provide incentivized bond service whereby their bond service will be 1:1, lower than the current 1.5 times for tuition only students and 2 times for students on both tuition and allowances. This means that under this scheme, students will only be required to provide service to the

country equivalent to the duration of their study. This is just an additional option given to students and they are free to decide otherwise.

123. Mr. Speaker Sir, we are also tightening the TSLS Act to improve compliance for bond defaulters and also equipping TSLS to manage academically 'at risk' students with close monitoring of their academic performance. This will be in partnership with the universities and other higher education service providers.

Health Infrastructure and services

124. Mr. Speaker Sir, I would now like to turn to one of the most urgent priorities for our government – the fixing of our health infrastructure and medical services. Decades of underinvestment has left our public health infrastructure in a state of disrepair and even decay. Improvements to these facilities will take time as we cannot fix this overnight.

125. However, in the last two years, more than 200 maintenance and upgrade projects for health centres, nursing stations and sub-divisional hospitals across the country have been undertaken. These upgrades have not only enhanced the physical conditions of our health institutions but have also contributed to better service delivery, safer working environments for our medical professionals, and a more dignified experience for patients. Our Government is rebuilding the foundation of our healthcare system and putting people's wellbeing at the centre of national development.

126. We are making good progress. With the support of the

Government of Australia and other development partners, we have taken considerable steps forward to deliver a roadmap for a new national hospital. A new hospital takes much planning. It has to be informed by proper planning to ensure that what is built can serve the needs of Fiji, and the broader Pacific region, for decades to come.

127. The Clinical Services Plan developed as part of this planning provides projections for health needs over the coming 10, 20 and 30 years. This Plan is now complete, and we know that the new hospital will be larger and will have expanded health services. We will need to increase the bed capacity from the current 453 beds at Fiji's largest CWM hospital to 703 beds. We need to cater for new services based on our disease profile and projections. We need to make provisions to cater for the needs of the broader Pacific region too as this will also serve as a regional hospital.
128. Mr. Speaker Sir, the whole project will be costly and very expensive to the tune of almost \$2 billion dollars. But we are committed to getting this done with the support of our development partners and multilateral financiers like the World Bank and Asian Development Bank.
129. We are currently focused on determining the most appropriate location for Fiji's new national hospital. We are committed to moving the hospital out of the CBD and to a more accessible location for the people of the greater Suva-Nausori area. Seven sites are currently under investigation, including Davuilevu, Tamavua, Raiwaqa, Samabula, Valelevu, Nabua and the existing CWM site.

130. A multi criteria evaluation framework has been developed based on accessibility, land size, and availability of services and utilities. The cabinet, Mr Speaker Sir, will soon make a decision on the new site for the hospital.
131. Apart from site selection, we have also been working together with our financiers led by the World Bank for a first phase financing package tentatively estimated at around \$500 million dollars. The project and financing package is currently being worked on and an announcement will be made later this year.
132. Mr. Speaker Sir, keeping the CWM Hospital operational until a new hospital is ready is critical as the transition to a new facility will take time. Over the last twelve months, we have completed a detailed engineering assessment of the existing CWM Hospital, and 27 key priority projects have been identified which will cost around \$63 million dollars, with an initial funding support of \$15 million from the Government of Australia. This is in addition to the \$8 million government financing component under the Ministry of Health.
133. The first phase of upgrades is under way, including renovation to the acute patient ward, increased backup water storage, replacement to sewer lines and repairs to roofing. Additional projects will commence over the remainder of 2025.
134. We thank the Australian Government for committing to help us improve our ability to implement infrastructure through the provision of dedicated Infrastructure Project Management Units, including the all-important health

sector.

135. Simultaneously Mr. Speaker, we are also advancing the construction of a 100-bed Super Specialty Hospital in Nasinu, supported through a grant by the Government of India. Land acquisition is now complete, and an Memorandum of Agreement is to be signed soon on the construction, operation and maintenance of the hospital. The construction of this new hospital is expected to commence soon as design and procurement is finalized by the end of this year.
136. Mr. Speaker, our Coalition Government is also focused on expanding the availability and quality of tertiary healthcare services to the general public. We have been encouraging and providing the necessary support through tax incentives and other support to entice the private sector to invest in hospitals. The outcome has been positive. We now have a number of private sector players -- Pacific Specialist Healthcare, Oceania Hospitals, MIOT Pacific Hospital, Sai Prema Hospital, Heart International and our PPP hospital in Lautoka and Ba managed by Health Care Fiji.
137. In this budget, we have allocated \$117 million for the ongoing operations and maintenance costs to Health Care Fiji for the Lautoka and Ba Hospitals under the Public-Private Partnership arrangement. With the help of IFC, we are currently reviewing the agreement to ensure it is cost effective and delivers the best services to our people.
138. Health Care Fiji is also expected to start the construction of a new 200 bed hospital in Lautoka. This will further lift the standard of service delivery, nothing short of international

standards.

139. Mr. Speaker Sir, we are providing an increased budget of \$466 million to the Ministry of Health to fund the salaries of our doctors, nurses and allied health workers, procurement of medicines and biomedical equipment, upgrade and maintenance of hospitals and health centers across the country.
140. We are prioritizing investment and focus on primary and preventative health care through the public health system. Continuous reforms are being undertaken at FPBS to ensure timely availability of medicines. New tenders have been awarded for supply of major drugs and medicines. An online logistics management system (MSupply) has been adopted to track medicine stock and manage orders across hospitals. We have also signed an agreement with the Indian Pharmacopoeia Commission to allow us to buy medicinal drugs from India, in the most cost-effective way while ensuring that standards are always maintained.
141. We are continuing with our public private partnership, under the free medical scheme with over 64 general and dental practitioners and medical lab providers, that provide free medical services to our people.
142. In the last two budgets we made accessibility more targeted to those earning less than \$30,000 per year and further extended this to all social welfare pensioners and kidney dialysis patients. So far, we have paid \$26 million. However, Mr. Speaker Sir, this will be further reviewed in the financial year to reduce abuse in the system.

143. We are supporting kidney dialysis with an increased subsidy of \$4.7 million to cater for the increased demand at private service providers. We will also continue to provide \$4 million in operating grant to the Sai Prema Hospital, a great public private partnership programme focused on delivering heart-related services to our children.
144. Mr. Speaker Sir, to enhance service delivery and strengthen the dignity of care provided to families during times of loss, we are allocating \$1.2 million for construction of new mortuary units at health facilities across the country. These include the Rakiraki and Tavua Sub-Divisional Hospitals, Nadarivatu Health Centre, Kadavu, Levuka, Savusavu, Dreketi, Seaqqa, Wainibokasi, Nayavu Health Centre, Navua, Nabouwalu, and Taveuni Sub-Divisional Hospitals. This investment ensures better access to essential services, particularly for communities in rural and maritime regions, and reflects our continued commitment to equitable and compassionate healthcare across Fiji.
145. Mr. Speaker Sir, in a nutshell, a record allocation of over \$600 million is provided to our health sector in this budget and in addition we are mobilizing almost a billion dollars in investments to start the new national hospital and other priority health infrastructure across the country.

Roads, Bridges and Jetties

146. Mr Speaker Sir, we are ramping up our investment to upgrade and develop our key infrastructure and public assets and utilities. A total budget of \$800 million is provided to the Ministry of Public Works, a significant

increase of \$83 million from the last budget.

147. The Fiji Roads Authority is provided a funding of \$388 million, an increase of \$37 million from the previous year. This includes almost \$120 million for road maintenance, \$74 million for road renewals, replacement & resealing, \$23 million dollars for footpaths & bus shelters and \$30 million for new sealing and upgrading of community and rural roads, including around \$5 million for the tar sealing of Kavanagasau road (Laselase to Naroro) and also for Biausevu Road in Sigatoka and Vuci, Naduru and Koronivia roads in Nausori.
148. A sum of \$16 million dollars is provided for the maintenance of our jetties in Koro, Moala, Lomaloma, Vunisea, Nabouwalu, Savusavu, Taveuni and Rabi. Government is working together with the Asian Development Bank on 3 major investment projects to revamp the jetties in Nabouwalu, Natovi and Savusavu. Proper investment in our jetty infrastructure is essential to improve connectivity across our islands.
149. Mr. Speaker, as announced earlier, Government has approved the replacement of four critical bridges at a total cost of around \$400 million, with concessional loan and grant financing through the Asian Development Bank and the World Bank. This includes the replacement of the Lami Bridge at Suvavou, Medraukutu Bridge near the Lami Cement Factory, Sabeto Bridge, and Viseisei Bridge linking Nadi and Lautoka.
150. These bridges are critical assets that connect our major towns and cities along the Queens Highway. As part of this

project, we are ensuring that these bridges are future proofed and resilient. The new designs include wider spans, increased load capacity, and most importantly, enhanced climate resilience.

151. Preparatory works, including detailed engineering designs, have already been completed, making these projects ready for execution in the first half of 2026. A sum of \$51 million is allocated in this budget to kickstart implementation.
152. Mr. Speaker Sir, we are now also working on another 6 critical bridges that will be replaced in the second phase.
153. There are also major plans being worked out to ease traffic in the major urban centres, including from Lami to Suva and Suva to Nausori, Nadi to Lautoka and in Labasa town area. FRA is working on options for road widening, provision of footpath and bicycle lanes, improved lighting and introducing smart traffic signal systems.
154. Mr. Speaker Sir, apart from road expansion to manage the traffic congestion, we are providing \$500,000 for feasibility study on a flyover road from Suva to Nausori. The project seeks to significantly reduce travel times, improve traffic flow, and enhance safety for commuters. The initiative underscores the government's commitment to investing in infrastructure that supports regional connectivity, economic growth, and improved quality of life for residents in both Suva and Nausori.
155. Mr. Speaker Sir, in the North, we are happy to commence the Labasa Bypass Project. This long-awaited infrastructure development will ease mobility in the Northern Division. By

diverting traffic around the town—particularly during peak periods such as the cane crushing season—we will reduce congestion, improve safety, and enhance the efficiency of commercial and personal transport.

156. Mr. Speaker Sir, rural connectivity continues to remain a key priority for this Government. We are investing in approximately 82 kilometres of upgraded rural roads, with a focus on strategic corridors such as the Nabouwalu, Wailevu West Coast, and Natewa West Roads funded by government of China. These upgrades will provide safe, reliable access to markets, health services, and schools—bridging the divide between rural isolation and national progress.

157. Apart from this, Government is also working with the Asian Infrastructure Investment Bank (AIIB) to undertake a major investment to fix our rural road infrastructure. The AIIB has recently completed a diagnostic study that looks at the institutional arrangements, funding requirements and project planning and implementation. Project details will be announced later.

Water and Wastewater

158. Mr. Speaker, we inherited a critical crisis in the water sector. We have an aged water infrastructure where 50 percent of the water gets leaked out. We have major capacity issues which constrains our ability to connect more people to treated piped water and which restricts economic development. Our wastewater sector is in urgent need for expansion due to lack of investment in the last many years.

We are still using old manual systems and have not caught up with new technology in water and wastewater management. We have major challenges in attracting and retaining the required skill set and human resources.

159. Government will soon start the legislative changes required for the corporatization of WAF. The institutional structure of the Water Authority of Fiji has to be made financially sustainable which will ensure adequate funding is available for the massive infrastructure needs in the water and wastewater sector.
160. Mr. Speaker Sir, in this budget the Water Authority of Fiji is provided increased funding of \$284 million to fix the infrastructure, including upgrading of water sources and treatment plants, reticulation and distribution and non-revenue water reduction.
161. Mr. Speaker Sir, with the support of the Asian Development Bank we recently completed the \$270 million Viria Water project. This is now fully commissioned resulting in significant improvements in water supply in Suva Nausori area.
162. In this budget we are undertaking a major lay of 11.7 kilometres of water pipeline from Sawani to Colo-i-Suva and to Khalsa road junction, a new pump station and the construction of two 5-megalitre reservoirs. This project will ensure that the elevated areas such as Sakoca, Nagatugatu, Tacirua, Dokanaisuva and Coloisuva that faces continuous intermittent water supply will be able to receive 24/7 reliable water supply. This project will also allow operational flexibility and be able to improve water

supply along Princess Road.

163. We are also investing in the construction of a new 20-megalitre Water Treatment Plant to complement the existing Tamavua Water Treatment Plant with a total cost of \$12 million. This initiative will benefit 230,000 people living along the Suva to Lami corridor and parts of Nasinu. It will enhance treatment capacity, allow for faster implementation timelines, and support future expansion to meet increasing water demand within these densely populated areas.
164. In addition, the Water Authority of Fiji has begun works for the development of a new water treatment plant in Navua as well as a new water supply scheme in the Wainadoi area that will have a coverage area from Naboro to Nabukavesi, with the potential to extend towards Togalevu and Naimelimeli in Navua. Furthermore, the Water Authority of Fiji is looking into extending water supply services from Veinuqa to Kasavu in Tailevu as well as from Naqali to Lomaivuna in Naitasiri.
165. In the Western Division, we are upgrading the water mains which will benefit around 80,000 people living within and along Dreketi Feeder Road, Vuda, Wairabetia, Nadi Airport, Nadi Back Road and Sabeto Road areas, focusing on improved and consistent water supply. We are also investing in water extensions to previously unserved communities such as those in the Korovuto area in Nadi, and the Coral Coast region in the Votua area in Sigatoka. Furthermore, water source improvement works has been allocated as well to improve water supply services with the proposed works for Qallau and Nasivi intakes in Ra and

Tavua respectively and rehabilitation works for Nadrou and Varaciva pump stations in Ba.

166. In the Northern Division, we are upgrading the Benau Water Treatment Plant, as well as water mains upgrade to Rara and Volanau in Labasa and this includes improvement works for Naidriva in Savusavu as well. In addition, the Water Authority of Fiji has begun works for the proposed Wainivasa Water Source in Taveuni.
167. In addition, a planned 19 kilometer watermain extension from Wailevu to Tabia and along the Cross-Island Road will be undertaken, with a new water pump station, and the construction of a 2-megalitre reservoir at Vatudova.
168. Mr. Speaker Sir, Fiji's non-revenue water stands at almost 50 percent. Just so we are clear: "non-revenue water" is a fancy name for leaks from water pipes. In other words, half of all the water that is collected, treated and then distributed through the WAF pipe network never reaches the tap. This has been a long-standing issue, neglected for decades. In the upcoming financial year, we are committed to a strategic path aimed at reducing non-revenue water significantly, from nearly 50 percent down to 20 percent over the next 5 years. Then we will attack the last 20 percent.
169. In this context, we are partnering with a Spanish company under an innovative performance-based contract facilitated by the Asian Development Bank, whereby payments will be tied directly to the actual amount of non-revenue water reduced – meaning the company gets paid only if it delivers real, verified improvements. This pioneering initiative marks a first for both Fiji and the Pacific region.

170. Our priorities in the coming financial year also include upgrading wastewater management. Notably, the Kinoya Wastewater Treatment Facility is currently overloaded at 200 percent of its treatment capacity on a daily basis.
171. In response to this pressing challenge, we are partnering with the ADB on a \$300 million Healthy Oceans and Water Security improvement project for over a 5 year period. This initiative aims to double the capacity of the Kinoya Wastewater Treatment Facility to 36,000 cubic meters per day and reduce the volume of effluent discharged into the sea.
172. Mr. Speaker, the ADB, as part of this project is also providing a \$10 million grant for the establishment of a Water Sector Academy. This facility will be a regional training center and help train much needed scarce skills in the sector.
173. We will continue with the provision of free water for household with income of \$30,000 and below. Government will also provide electricity subsidies to low-income families and schools with a budget of \$9.5 million. This scheme will benefit 60,000 households and 1,039 schools across the country.

Land Transport Authority

174. Mr. Speaker Sir, an increased budget of \$42 million is provided to the Land Transport Authority reflecting the Government's strong commitment to improving transport service delivery and road safety. The additional funds will

allow LTA to support critical investments in implementation of digital transformation, safety enforcement, and decentralised service delivery across the country.

175. Key capital projects of LTA include an Integrated IT System, Labasa Restoration project to establish modern service, weighbridge expansion in Sigatoka, a new Nakasi Express Office to reduce waiting times, and the deployment of speed and surveillance cameras to support safer roads, and modernise vehicle inspection systems. In addition, LTA will implement a number of measures to improve road safety including increasing the fines.

Rural and Maritime Development

176. Mr. Speaker Sir, we need to lift development in our rural and maritime region. The Ministry of Rural and Maritime Development is provided an increased budget of \$39 million to prioritize provision of basic infrastructure such as access to proper drinking water, community access roads, footpaths & bridges, sanitation, rural housing and other community development projects.
177. These seemingly small interventions—such as building a simple footbridge or upgrading a local road—have an outsized impact on daily life, from helping children get to school safely to ensuring timely access to markets and healthcare.
178. Furthermore, recognising the growing threat of climate-induced coastal erosion, the Government has allocated \$1.3 million for coastal protection works in Nasilai Village, Nakelo, in Tailevu and Kadavu. These works are essential

for safeguarding homes, infrastructure, and livelihoods in vulnerable low-lying communities, which are increasingly affected by rising sea levels and extreme weather events.

179. Mr. Speaker Sir, for improving access to rural water we are providing \$10 million under the Water Authority of Fiji and \$6.5 million for development of boreholes across the country. All rural areas where main piped water is not available, will have access to borehole facilities to provide clean drinking water and sanitation.

Agriculture & Waterways

180. The resource-based sectors like agriculture, sugar and fisheries & forestry have been a vital source of employment, income and livelihoods for our people in rural and maritime areas. It has also been important for ensuring food security, export earnings and economic diversification.
181. In this budget, we have increased the total funding to these sectors to almost \$238 million, an increase of over \$80 million from when we came into Government. This reflects our genuine commitment to grow our resource-based sectors.
182. For agriculture and waterways, an increased budget of \$115 million is provided. Mr. Speaker Sir, we pay tribute to the late Minister for Agriculture Honourable Vatimi Rayalu for his excellent leadership in the last two and half years. And we all know that he will be sorely missed. Mr. Speaker Sir, in addition to policies to support land lease renewals and better returns to landowners, \$3 million is allocated for farm mechanization and access to machinery. A sum of

around \$39 million is provided to support crop research and extension services to boost production of yaqona, dalo, rice, coconut, ginger and vegetables. This includes \$1 million for fertilizer and weedicide subsidy that has been expanded for our dalo, ginger, cassava and vegetables farmers. This was previously only available to sugar farmers prior to we coming into government. For crop research, a total funding of \$12.6 million is provided.

183. For livestock research and extension services, a total budget of around \$19 million is provided to support development of the beef, piggery, goat and dairy industry.
184. The Agricultural Marketing Authority is provided a total budget of \$2.5 million to secure farm produce in areas where it is uneconomical for the middlemen and private sector to operate. This ensures market security for our farmers in deep rural and maritime areas.
185. To support the Navuso Agriculture Technical Institute and Tutu Training Centre, a total budget of \$4.5 million is provided. For the upgrade and enhancement of the agricultural quarters we are providing funding of \$1.7 million.
186. Mr. Speaker Sir, drainage remains a key challenge for agriculture and has a much wider impact on the overall economy. To support dredging of rivers and clearing of our waterways, a total budget of \$25.6 million is provided. This includes \$3.9 million to the drainage board to maintain drainage schemes in non-municipal areas through desilting, floodgate management and boulder protection. Following the dredging of the Ba River, at a cost of around \$5.5 million

this year, Government is providing funding of \$7.3 million for the dredging of the Denarau river.

187. Mr. Speaker Sir, we are also rapidly progressing with the implementation of the Nadi Flood Alleviation Project in collaboration with our development partners, JICA and AIFFP. After this project was stalled for eight years, the Coalition Government secured strong support from our development partners and has accelerated this project. The project is estimated to cost over \$400 million and will be completed over a 5-year term, with 30% grant support from our development partners. This is Fiji's largest climate-resilient project that will address recurrent flooding challenges in Nadi, by constructing surrounding dikes, inland drainage, diversion channel and watershed management.

188. Mr Speaker Sir, Nadi is our international gateway to the world. The Infrastructure in the Nadi Town and surrounding areas has been neglected for a long time. We are determined to work with the stakeholders, including Nadi Town Council and Nadi Chamber of Commerce to ensure that Nadi becomes an attractive town and serve as a model for other towns and cities. Mr. Speaker Sir, we are allocating around \$8 million in this budget to start with the design and implementation works. At the same time, Airport Barrier Protection works in Nadi will begin which is fully grant funded by the Australian government.

Fisheries and Forestry

189. Mr. Speaker Sir, the Ministry of Fisheries and Forestry is provided a total budget of \$50 million, almost doubled from

2 years ago. This includes around \$6 million for maritime pine development, subsidy for harvesting of pine in maritime areas and for extension services through the Fiji Pine Trust. For reforestation of degraded forests with indigenous and other species \$2.8 million is provided. \$800,000 is provided for the upgrade of the forestry training center in Colo-i-Suva.

190. Programs under the Ministry of Fisheries will be focused on food security and income generation, sustainable management of our marine resources, fisheries research and \$562,000 for the hosting of the 9th Tuna Trade Forum in Fiji.

Sugar

191. Mr. Speaker Sir, Government support for the sugar industry will continue given the direct and indirect dependence of almost 200,000 people for their income and livelihood.
192. Mr. Speaker Sir, when we came into Government, we delivered a \$91.38 per tonne sugar price for the 2022 season. For the 2023 season, Government paid the highest ever cane price of \$105.08 per tonne, \$20 dollars more than the \$85 guaranteed price. For the 2024 season, we are again determined to pay an attractive price.
193. Mr. Speaker Sir, this consistency with high sugar price have generated interest in the sugar industry and we are expecting to see a sustained increase in sugarcane production. A total funding of \$72 million is provided towards sugar to cater for fertilizer and weedicide subsidy, sugar price support, cartage subsidy, cane access roads

and farm mechanization.

194. However, Mr Speaker, making cane growing profitable is not the only answer to reviving our sugar industry, which has over the last two decades taken a battering, not only from natural disasters but from direct control and interference from the former regime that is still proving to be destructive and an impediment to increasing sugarcane production. Mr Speaker, until December 2006, the sugar industry had parliament oversight through the parliamentary select or standing committee on sugar, Not so since resumption of parliamentary democracy in October 2014. Government will therefore move a motion in August for the establishment of a special parliamentary committee on sugar under Section 129 of the Standing Orders. This special committee will be chaired by the Honourable PM and include as members the Deputy PM's, Minister for Sugar, Leader of the Opposition and a Member of the G9.

iTaukei Affairs and Multi-ethnic Affairs

195. Mr. Speaker Sir, the Coalition Government firmly believes in the promotion of our indigenous Fijians in education, employment, business and overall economic development. The *iTaukei* administration system is being strengthened to ensure that the benefits of development reaches our ordinary *iTaukei* communities and at the same time their culture, tradition and rights are protected.
196. An increased budget of \$41 million is provided. This is an increase of \$25.5 million since the Coalition Government came to office. This includes an operating grant of \$7.2 million to the provincial councils and \$4.7 million to the

iTaukei Affairs Board.

197. We have also provided \$2.8 million for monthly allowances for the Turaga-ni-Koro, almost \$2 million for Mata-ni-Tikina, Vanua Leadership and District Advisory Councilors.
198. To support our Justice of the Peace, who provide essential public services in our communities, we will now for the first time provide a monthly allowance of \$100. A total of \$1 million is allocated in this Budget.
199. \$3 million is provided for iTaukei resource owners support and development fund which provides a 3-year interest subsidy on loans through FDB and Merchant Finance. To support village improvement with small development works, \$2 million is also provided.
200. Mr. Speaker Sir, Multi-ethnic Affairs is provided with a total budget of \$6.9 million for the promotion of social cohesion and cultural development, installation of gas fired crematoriums, rural community cemeteries, associated infrastructure for dignified funeral services, digitization of Girit records and Girit day celebrations.

Housing

201. Mr. Speaker Sir, access to housing remains a challenge, especially in our major urban centres. Government has been working through the Housing Authority and Public Rental Board to expand the supply of residential lots and housing units for our low-and middle-income earners.
202. Housing Authority will now provide both residential lots and complete houses for sale. Through this model, we are

looking at delivering around 2,900 residential lots and more than 1,800 houses in Nepani, Wanibuku, Davuilevu, Tavakubu, Tavua, Wairabetia, Tacirua, Waqadra, Waila and Veikoba.

203. Mr. Speaker Sir, we are also working together with the PRB to undertake more low-cost housing projects which will deliver more affordable residential units for our people. We will continue to provide rental subsidy at PRB flats to ensure that it remains affordable for low-income families.
204. Apart from Housing Authority and PRB, we are also collaborating with other key partners like Habitat for Humanity, HART, Koroipita and other private sector partners to deliver affordable housing solutions. A total of around \$4 million is provided for these partnerships.
205. The tax incentive available for development of subdivisions has been extended. This provides developer profit exemptions and customs duty concessions for land developers undertaking investment in residential subdivisions. This has been quite effective in encouraging investors to add additional residential lots and increasing the overall stock of housing in Fiji.
206. Mr. Speaker Sir, the low-interest rate environment remains conducive for housing finance with home loans provided at just below 4 percent from the commercial banks. We will also allow FDB to re-introduce housing loans on a small scale.
207. To support our low-and middle-income families with home deposits we will continue with the first home buyers grant.

For those earning below \$50,000, a government grant of \$30,000 is available for first home construction while \$15,000 is provided for first home purchase. For those earning above \$50,000 but less than \$100,000, a first home construction grant of \$20,000 is available and \$5,000 grant for first home purchase. This will continue with a budget of \$3.5 million.

208. Mr. Speaker Sir, Fiji faces major challenges with informal settlements. The rise in squatter settlements in Fiji is linked to our history. But we remain committed to redeveloping and formalizing our squatter settlements with issuance of proper lease titles and appropriate facilities and services. Around \$15 million is provided for the formalization of 6 informal settlements in Tavela, Tore, Field 40, Valequyaya, Sakoca and Vunika. We will also start four new areas including Lovu Seaside, Nabare, Delaisaweni and Caubati. This will formalize around 1500 housing leases.

209. Mr. Speaker Sir, in response to eviction notices given to families in areas like Nabua Muslim League, Veidogo in Vatuwaqa, and Nadiri, Government is providing a funding of \$2.2 million for relocation and resettlement. Funding will be used to commence critical preparatory work, including consultations with affected communities, land negotiations, and detailed implementation planning to ensure that affected families are provided with secure resettlement options.

210. Mr. Speaker Sir, the VAT refund scheme for construction of homes will continue. Under this scheme, any person constructing their first home is eligible to a refund of all VAT paid on construction material up to a value of \$120,000.

211. We are also expanding this for installation of solar power on residential homes and reconstruction of homes destroyed by termites for households with less than \$50,000 income. This will complement the termite construction subsidy of \$5,000 provided to families earning less than \$30,000 and \$2,000 to those earning between \$30,000 to \$50,000. Government has allocated \$2.9 million towards this, on top of the \$5 million that has already been spent when the initiative was introduced.

Ministry of Local Government/Environment & Climate Change

212. Mr. Speaker Sir, we need to strengthen our municipalities, making them financially sustainable and improve service delivery.

213. The Ministry of Local Government is provided a funding of \$35 million in this Budget. This includes \$10.6 million to the National Fire Authority, around \$7 million for municipal master planning and new town development in Nabouwalu and Keiyasi, \$3.2 million for waste collection subsidy for our municipal councils and \$2.5 million for the Western Division Dumpsite Remediation in Sigatoka, Rakiraki and Ba in partnership with the UNDP.

214. Mr. Speaker Sir, the Ministry of Environment and Climate Change is provided a total funding of \$10.8 million, which includes around \$3 million for the phase 2 of the Naboro landfill and continuation of the subsidy for the transfer of waste to Naboro.

215. On climate change Mr. Speaker Sir, Fiji will continue its international pressure and call for urgent and effective climate action to maintain global temperature rise below 1.5 degrees from pre-industrial levels. We are also strongly advocating for climate finance which is affordable, easy to access and takes into consideration past injustice through urgent operationalizing of the loss and damage fund. We strongly support Australia's bid for COP31 dubbed as the Pacific COP. Fiji is ready to play its leadership role in supporting the hosting of COP31 in the Pacific.

Tourism and Civil Aviation

216. Mr. Speaker Sir, the tourism industry is critical for the economy, jobs and foreign exchange earnings. It contributes almost 40 percent towards the economy and is the largest foreign exchange earner.

217. The Ministry of Tourism and Civil Aviation is provided a total budget of \$93 million, more than double from 2 years ago.

218. Tourism Fiji is provided an increased budget of \$48 million for marketing and its operations.

219. The Civil Aviation Authority of Fiji is provided an increased budget of \$6.8 million while \$2.1 million is provided for domestic air subsidy to maintain affordable domestic airfares.

220. Implementation has started on the 10-year \$400 million Vanua Levu Tourism Development project. – the “Na Vualiku” project. A sum of \$30 million is provided in this budget.

Trade, Cooperatives, MSMEs and Communications

221. Mr. Speaker Sir, the Ministry of Trade, Co-operatives, MSMEs and Communications is provided a total budget of \$85 million.
222. The Ministry leads the overall agenda of creating an enabling environment for investment and businesses. Mr. Speaker Sir, improving the ease of doing business remains a central pillar of this Government's strategy to boost private sector growth and attract investment. To this end, we have made major investments in the digitalisation of government services through our flagship initiative, businessNOW Fiji. For the first time, investors and entrepreneurs are able to access "Starting a Business" services through a single, digitally integrated platform.
223. The next frontier is the digitisation of Building Permit Applications—a complex and time-consuming area of service delivery. By the end of this year, businessNOW Fiji will offer 25 e-services across 16 government agencies, streamlining interactions between government and the private sector. And we have set our sights firmly on the future—with an ambitious but achievable goal to bring 80% of key government services online by 2030.
224. Mr. Speaker Sir, we are pleased to highlight that Fiji's National Digital ID project is making steady progress under the stewardship of the National ID Steering Committee. While the Reserve Bank of Fiji is the lead implementation agency, there is a robust governance structure providing strategic policy direction with Hon DPM Manoa Kamikamica

as the co-chair.

225. Technical support from the Asian Development Bank, and with the engagement of over 40 inter-ministerial stakeholders, is advancing key components—including legal and regulatory drafting, registration planning, technology design and use case development. These efforts are laying the foundation for a secure and inclusive digital identity system that would help streamline citizens' access to services, enhancing financial inclusion, and nationwide strengthening of our digital public infrastructure.

Ministry of Immigration

226. The Ministry of Immigration is provided a budget of \$17.8 million.
227. This Budget responds decisively to an issue that has affected thousands of Fijians both at home and abroad, which is the shortage of passports. We have allocated around \$6 million to cater for the procurement of 200,000 passport books.
228. This volume is expected to fully meet both the backlog and forecasted demand over the coming months. We anticipate that, with this intervention, the passport shortage will be normalised, and service delivery will be restored to expected standards.

Peacekeeping and Foreign Affairs

229. Apart from Fiji's leadership on climate change in the global stage, we will also continue our peacekeeping operations.

Given the challenging situation in the Middle East and other parts of the world, Fiji as a small nation is proud of its contribution in maintaining global peace. The RFMF is provided a total budget of \$168 million, including \$52 million for overseas peacekeeping.

230. Mr. Speaker Sir, the Ministry of Foreign Affairs is provided \$51 million, an increase of almost \$7 million.

231. We are providing an increased post allowance budget of \$8.4 million to cater for the increase in post allowance for 42 diplomats in our 13 foreign missions. These allowances were not reviewed since 2005.

232. We are also allocating \$2.7 million for the purchase of a new Fiji House in Wellington, New Zealand. The Cabinet has approved the sale of the current property and the purchase of a new property at Downing Street, Wellington.

233. This Budget also includes Fiji's contribution toward the construction of the new Pacific Community (SPC) Building in Suva. A total of \$1.9 million has been allocated as part of a two-year commitment, following Cabinet's endorsement of a \$3.7 million total contribution.

Ministry of Employment

234. Mr. Speaker Sir, we are providing a total budget of \$25 million dollars to the ministry of employment to cater for workers compensation, final settlement for the Vatukoula Goldmine strike workers and for the first time \$100,000 allocation to the Fiji Trade Union Congress for worker education programme.

Independent Agencies

235. Mr. Speaker Sir, we are ensuring that our independent institutions are funded adequately. The Judiciary is provided a total funding of \$49.5 million in this budget. Parliament is allocated \$17.3 million in this budget. The Office of the Auditor General is allocated \$7.5 million. The Office of the Director of Public Prosecutions is allocated \$8.9 million while FICAC is provided \$8.5 million. The Job Evaluation Exercise for Legal Aid Commission will be implemented this year.

Fiji Corrections Services

236. Mr. Speaker Sir, for Fiji Correction Services, a budget of \$62.5 million is provided. This includes around \$1 million to support the recruitment of 40 new positions under Phase 2 of the Job Evaluation Exercise. This initiative reflects our ongoing efforts investing in the human resources needed to manage correctional facilities safely, fairly, and effectively.

237. In addition to staffing, we have increased budgetary support for two essential operational needs. Firstly, we have boosted the allocation for inmate food rations, ensuring that basic welfare of inmates are upheld in accordance with international standards. Secondly, we have allocated funds for the procurement of clothing and uniforms for FCS personnel, recognising the vital role that discipline, morale, and visibility play in maintaining the integrity of the corrections system.

238. The Government has also allocated \$2.3 million for the

upgrade of public cemeteries across the country. The funding will support the improvement of cemetery standards, including better access, drainage, and layout, and will also allow for the engagement of consultants to undertake proper surveying and the design of civil works. For too long, cemetery infrastructure has been overlooked, leading to overcrowding and unmanaged burial grounds in some areas. This investment will help ensure that cemeteries are developed and maintained in a respectful, orderly, and sustainable manner—honouring the cultural, religious, and communal significance they hold.

Elections

239. The Fijian Elections Office is allocated \$20 million. This provision allows for preparatory work for the next general elections, demonstrating our commitment to democratic processes and electoral readiness.

Ministry of Finance

240. Mr. Speaker Sir, the Ministry of Finance is allocated a total budget of \$91 million, which includes \$54 million to fund the operations of the Fiji Revenue and Customs Service.

241. A total of \$4 million is allocated for the milestone payments related to the new FMIS system that went live on 1 August last year. In tandem with this, \$1.8 million has been allocated for the implementation of a new Budget System which is aimed at automating the budget process. This should be completed in the next 12 months.

242. Mr. Speaker Sir, as part of the public financial management

(PFM) reform agenda, the Ministry of Finance has undertaken a comprehensive reclassification of budget expenditures in the 2025–2026 Budget. This reform is guided by international best practice and the recommendations of the Public Expenditure and Financial Accountability (PEFA) assessments.

243. A key change includes the removal of all “R” (requisition) items, which previously required ministerial or permanent secretary approval before spending. This shift is being piloted to streamline operational processes, reduce bureaucratic delays, and improve efficiency and accountability in budget execution. Ministries and departments will now be entrusted with greater operational flexibility, underpinned by stronger monitoring and policy oversight from the Ministry of Finance.
244. Mr. Speaker, \$4.1 million is allocated to complete Phase 2 of the Household Income and Expenditure Survey (HIES). The data collected will provide Government with a detailed picture of income level, expenditure patterns, and an updated poverty estimates that will help guide public policy and Government interventions.
245. We have also allocated \$740,000 for preparatory works for the 2027 Population Census. This census will be crucial in capturing the demographic, economic, and social trends that will shape our national planning over the next decade.

Fiji National Provident Fund

246. Mr. Speaker Sir, I am pleased to announce that the Fiji National Provident Fund (FNPF) will make a 8.75 percent

interest payout to its members for the financial year ending 30 June 2025. This means that all FNPF members will receive a total interest payout of \$700 million which will be added to their member account balances on this coming Monday, 30 June.

247. This marks the highest interest rate payout in the past two decades and reaffirms that the Fund is being managed well with prudent investment strategies, strong governance, and commitment to securing the retirement savings of our people. We are strengthening the FNPF subcommittees including the recent appointment of a strong expert group of independent members in the investment committee.

248. I take this opportunity to warmly congratulate the FNPF Board, its management, and the hardworking staff who have made this achievement possible. Their dedication and sound leadership continue to inspire confidence in FNPF.

Tax Policy

249. Mr. Speaker Sir, this Government remains firmly committed to tax stability, fiscal responsibility, and putting more money back into the pockets of ordinary Fijians. As I had promised earlier, there are no increases in taxes in this Budget. Instead, we have focused our efforts on targeted relief, incentivising investment, and promoting economic activity in key sectors that support inclusive and sustainable growth.

250. The most significant change in this Budget is the reduction of the VAT rate from 15% to 12.5%, a bold but deliberate move to ease the cost of living for every Fijian household.

This is complemented by the continuation of zero-rated VAT on 22 essential items including medicines, ensuring that low-income families are protected from inflationary pressures.

251. To further support affordability, we have also announced reductions in customs duties on several food items, many of which attract low duty of zero to 5%. This reduction in indirect taxes must be passed on to the people. I would like to reiterate that we will be strengthening compliance and enforcement measures to ensure that people benefit directly from these reforms.

252. Mr Speaker Sir, the classification of personal imports have been amended to clearly distinguished between online purchases and those received as gifts and donations. Under this revised policy, all items received through gifts and donations below \$500 will be duty free and VAT free.

253. In line with our broader economic transformation agenda, we are also introducing and extending targeted tax incentives to incentivise growth, innovation, and social impact. A 150% tax deduction will now apply for donations to Accredited Start-Up Support Programs, fostering entrepreneurship and innovation. Under the Employment Taxation Scheme, the 300% tax deduction for wages or salaries paid for work placements, apprenticeships, and part-time employment is extended until 31 December 2026. Likewise, the 400% tax deduction for hiring persons with disabilities will also be extended upto the same period. These incentives support both workforce participation and social inclusion.

254. For our climate transition, we are expanding tax relief for

green investments. Income derived from new renewable energy and co-generation projects will now be tax-exempt for 10 years, up from the current 5 years—providing stronger incentives for clean energy adoption. The Tax Free Region (TFR) incentive is also being extended to cover the Wainadoi region for waste management, recycling, and renewable energy businesses—sectors that are central to our circular economy strategy.

255. Mr. Speaker Sir, we are also incentivising donations. A 100% tax deduction will now apply to donations made to health centres, nursing stations, aged care homes, orphanages, and drug rehabilitation facilities—supporting vital community institutions that care for our most vulnerable.

256. In the tourism sector, a new 25% investment allowance will be introduced for businesses undertaking capital investments in tour and sightseeing operations, with a minimum qualifying threshold of \$100,000. This will help diversify tourism offerings and deepen the value chain for our visitor economy.

257. To improve tax administration, we are introducing the VAT Monitoring System (VMS) for all businesses with an annual turnover of \$50,000 or more. This will be implemented in phases and will come into effect on 1 January 2026. This system will modernise VAT compliance and improve revenue transparency, while reducing tax evasion.

258. Two new VAT refund initiatives will also support our social and environmental objectives. VAT refunds will be available for capital investments in residential solar projects, helping households transition to clean energy. Additionally,

households that rebuild or repair homes damaged by termites will now be eligible for VAT refunds on construction costs—providing critical relief for affected families.

259. To support our agriculture sector and improve farming efficiency, mechanical harvester services supplied by registered cooperatives will now be zero-rated for VAT, reducing the cost burden on smallholder farmers and enabling faster land preparation and harvesting.
260. To support our Fijian diaspora, we will make changes to the Income Tax Act to allow our citizens residing overseas to reorganise and protect their Fiji-based assets through the use of properly structured resident Family Trusts. This initiative recognises the deep-rooted connection many diaspora families maintain with Fiji and aims to support intergenerational wealth preservation, while ensuring such assets remain invested within our economy. A framework will be developed and rolled out in the coming months to accompany the legislative amendments and support transparent and responsible use of this concession.
261. We will also reduce the acquisition of Fiji Citizenship and passport fees from the current \$3,450 to \$1,500 for our diaspora who wish to acquire their Fijian citizenship and return to Fiji to live and invest effective from 1st of August.
262. Mr. Speaker, this is a pro-people, pro-growth, and pro-investment tax framework. It rewards innovation, supports job creation, lowers the cost of living, and strengthens the social contract between the state and its citizens.

Thank You

263. Mr. Speaker Sir, before I conclude, I would like to thank everybody that has helped shape this budget with their ideas, input, hard work and dedication. I thank the Honorable Prime Minister for his leadership, vision and guidance. I thank my fellow cabinet Ministers for their contribution and support to my dedicated team at the Ministry of Finance and all the staff of the Fiji Revenue and Customer service. I sincerely thank you all for your contributions in putting this budget together. I thank you for your tireless effort, sacrifice and display of patriotism.
264. I would like to also thank all the development partners, civil society and private organizations and multilateral financial institutions for their support. Special thanks to the Government of Australia for the significant support rendered to Fiji through a comprehensive and credible development program and in particular through budget support. Whilst the budget support financing is important, more critically, the program has supported Fiji to undertake and accelerate substantial reforms in a range of areas.

Conclusion

265. In framing our 2025-2026 budget, we re-iterate that this is a budget for an extraordinary moment in history. In this context, our 2025-2026 budget speaks of our determination to securing and protecting all Fijians at all times – for example - the child in distant Fulaga seeking access to quality primary education; the expectant mum on the hills of Naitasiri needing decent road access to her health centre;

the student in Savusavu seeking a pathway to skills and a decent job, the Kava farmer in Kadavu seeking a secure international market, the young women in Lami seeking her first job in Urban Suva, the elderly grandma in Vatusui, Ba needing basic services – or the cane grower seeking timely and efficient delivery of his or her crop to the mill. This budget speaks to and responds to all Fijians everywhere as best as we can today. This budget speaks equally to all Fijians. This budget speaks justly to all our citizens. These deeply held values are the pillars that have a firm grip on our budget.

266. When you judge our 2025-2026 commitment – please do so sincerely, objectively and against the backdrop of the global uncertainties over which we have no say or control. This is a budget for stability - stability now and well into the future. This is a budget for growing confidence in our economy now and well into our future. This is a budget for security of every Fijian. This is a budget for that lays the foundation for lasting social, economic and political advancement.

267. Mr. Speaker Sir, this is an expansionary budget, anticipating deteriorating global economic conditions. Additionally, it is a budget that builds on the foundations of stability, certainty, consistency and predictability of policies. And this augurs well for investment and economic growth. It is a budget that builds further on reducing the cost of living with measures including the reduction in VAT. It is a budget that supports the growth of income for our households by injection of \$500 million in VAT revenue alone. It is a budget that increases support for social welfare, agriculture, health and education. It is a budget that directly addresses the

scourge of drugs, crime and HIV. It is a budget that sets the foundation of building critical new infrastructure for the growth of our economy.

268. Mr. Speaker Sir, this is a budget for building security, stability and prosperity for our people. I commend the 2025-26 Budget to Parliament and the people of Fiji. And I do so with the concurrence of the honourable Prime Minister and Cabinet.

269. Thank you Mr Speaker and May God Bless Fiji.