**HON PM BAINIMARAMA - PARLIAMENTARY ADDRESS IN REPLY TO THE 2017 BUDGET**

**7/10/2017**

Madam Speaker, I rise to make my own response to the 2017 Budget. And I do so with great pride. Because the FijiFirst Government has kept its promise to the Fijian people to govern in the interests of everyone. To manage the economy responsibly. And as I also shared with the people from Kadavu last week, that as the economy grows, to share the benefits as widely as possible and especially with those who need them most.

With this budget, we have again kept the faith with our people – every Fijian worker and especially the young, the elderly and the vulnerable. We have produced a blueprint that is in their interests above all else. And I want to pay tribute to the Honourable Attorney General and Minister for Economy and his hardworking team for their dedication and commitment. Because I think the 2017 Budget isn’t just imaginative. It is brilliant. It is a brilliant budget. And because so many people are telling me the same thing, I know that much of the nation shares that view.

Madam Speaker, before I continue, I especially want to congratulate the AG and his wife, Ella, on the arrival on Friday of a new member of their family - a baby girl called Iman. It is obviously the happiest of times for the entire family and I am sure that every member of Parliament joins me in wishing them well.

That family includes the new baby’s grandfather opposite, the Honourable Viliame Gavoka, who has an even bigger grin on his face this morning than usual. Hopefully his excitement will mean that his own contribution to the budget debate will be a lot more positive than usual. But also Madam Speaker, we also want to wish him a happy birthday. He celebrated his birthday last Saturday. So, congratulations. So, I understand Madam Speaker the Attorney-General was full of celebration because of the two events.

Madam Speaker, our political opponents are saying this is an election budget. But Madam Speaker, every budget is an election budget. Because, Madam Speaker, we govern at the behest of the Fijian people. And we are in the business of being re-elected to continue the transformation of our beloved nation to take its rightful place in the world. Everyone knows Fiji required true transformation and this transformation must continue.

Madam Speaker, our people are already standing tall and proud in the knowledge that their living standards are better than those of their forbears. And they want this transformation to continue so they can be sure that the living standards of their children and grandchildren will be better than theirs.

This is not on the back of one budget but successive budgets over the past decade. Each of them building blocks that we are putting in place year by year to achieve our vision of eventually becoming a fully-fledged modern nation state. You see Madam Speaker, we have a vision. The other side of the House don’t have one. We have a vision for our country and the direction we should take to become a fully-fledged modern state. The other side has no vision at all. If they have one Madam Speaker, its only at the end of their noses. Because their vision Madam Speaker is to move from there to here. And when they get here Madam Speaker, God will help us all.

We are not fixated on short-term political gain like those opposite, except those on the opposite right corner. We have a plan to place Fiji in the best possible position to achieve greatness. And we have been doing that. One nation, one people, moving forward together and leaving no-one behind. And I will again be going into the next election with the AG and Minister for Economy by my side with the rest of the 49 candidates asking the Fijian people to enable us continue to lead that journey.

It is the same successful team that has produced the transformation of the past decade. Stability, confidence, consistency, innovation, genuine progress and empowerment. And, of course, our success in managing the economy will be a cornerstone of that campaign.

Madam Speaker, when the Fijian people put their trust in us again in 2018 it will be because each year, the budget has built on the achievements of the last. And they can look back over the past decade and see that the government’s reforms have made a real difference to their lives, the lives of their families and the life of our nation.

We have now had eight successive years of economic growth in spite of the natural disasters that have caused so much heartbreak for ordinary Fijians. Eight years in which the national pie has grown steadily bigger so that we can give everyone a larger slice. We are set to grow the economy this year by 3.8 per cent. And we are on track for a record decade of growth, something that has never happened before in post independent Fijian history. But that can only happen if FijiFirst wins the next election.

So, yes, Madam Speaker, when that election eventually comes around, I will be going to the Fijian people and saying: Don’t take my word for it. Look at the facts. The evidence all around you. And decide for yourselves when you cast your vote who is best placed to ensure your future economic security. Who is best placed to guarantee a viable future for our nation in an uncertain world. Who is best placed to move Fiji forward.

Madam Speaker, we have united our country after decades of uncertainty and turmoil. We have given everyone a common identity, a sense of belonging. We have guaranteed the rights of everyone under a constitution that is a model for other nations. We are empowering more Fijians than ever before, building a more inclusive society.

We have provided free schooling and scholarships and tertiary loans for our young people to achieve their full potential. We have strengthened the safety net for the disadvantaged, the sick, the disabled, our pensioners, our women, our children and our youth. For the first time, individual iTaukei landowners are assisted to develop their own land. For the first time.

Madam Speaker, we are transforming our infrastructure – our roads, ports and airports. Access to electricity and water systems has increased exponentially. We have enhanced our mana in the world and are leading the fight to save our oceans and the campaign of global action on climate change.

And underpinning all of this is the responsible management of our economy. Because as Bill Clinton - the former US President - once said when someone asked him about the key to political success: “it’s the economy, stupid”. Without sound economic management, without economic empowerment of individual citizens, no nation can function properly and achieve its full potential. And the main reason Fiji is functioning better now than in the entire period since independence is that this government has the economic settings right.

Madam Speaker, we understand how a modern economy works. We understand finance. We understand commercial potential and realities. And we are eager to draw on the best possible advice of others. Because global conditions are changing all the time and small nations can be very vulnerable to those changes. So we are also working closely with all our development partners. And they have endorsed our general economic direction, including the level of our national debt.

Our opponents say that debt is too high. Well it is not. And this is also according to many including the World Bank, the Asian Development Bank and the ratings agency, Moody’s. These are experts in such matters, not those from the opposite side or the Fiji Times, the Opposition Times as it is called now.

Madam Speaker, unlike previous governments in Fiji, we are only borrowing to build for the future. We are borrowing to invest in new infrastructure or improve the infrastructure we already have. And all over the world, targeted infrastructure spending is acknowledged as a key generator of economic growth.

Madam Speaker, I will leave it to the AG and my other ministers and parliamentarians to respond in detail to the Opposition’s sniping at aspects of the Budget. The inconsistencies in their arguments. The irrelevancy of their arguments. Their unrelentingly negative approach. But as I’ve witnessed the responses of opposition figures over the past nine days, I’ve come to realise that they just don't get it. They have no idea how a modern economy works.

All they can do is home in on the inconsequential with no appreciation for the bigger picture. Picking out small things to quibble with instead of viewing the Budget as a whole. And understanding how every moving part relates to the other and contributes to the effectiveness of one big machine moving our nation forward.

Madam Speaker, it’s a bit like someone who looks at a beautiful baby girl and says “oh her left eyebrow is crooked”. So what? She’s still a beautiful little baby. These critics pick at the margins and contribute nothing in the way of constructive input about how our economy could be managed better. No alternatives. And instead of examining their own abysmal records as economic managers or their proposed economic policies, their supporters in the media and, I’ve heard on the blogs slavishly parrot their complaints.

That’s OK, Madam Speaker. That’s democracy. You can’t legislate against stupidity. But all I ask the Fijian people to do is to examine our record. Examine the facts.

I’ve said it before and I say it again. Unlike my political opponents, I have a fundamental respect for the intelligence and common sense of the Fijian people. I don’t lie to them. I don’t spread false rumours or prey on their fears. I don’t seek to divide and rule. I trust their judgement. And I know that when it comes to choosing who is best to govern them next year, they will exercise that judgement and make the right choice.

When they read the details of this budget or have it explained to them honestly, they can form their own opinion. But the one thing I respectfully ask them to ask themselves is this: Am I better off now than I was ten years ago? Do I have more opportunity now than I had ten years ago? Do my children have more opportunity now than ten years ago? Is Fiji in a better position than ten years ago? Are we all being treated equally and with dignity? And I believe the resounding answer to that is a big“yes”.

Madam Speaker, there are so many positive aspects in this budget but let me concentrate on a few. What we have done as a government to directly improve the lives of ordinary Fijian families. The hard-working men and women who are the backbone of our nation. As well as their children – the many tens of thousands of bright-eyed young people striving to reach their own potential and in whom the hopes of all us rest for a better Fiji.

Madam Speaker, with this budget, we have put more money into the pockets of ordinary Fijians – ordinary households – than at any other time in our history. And we have done it by raising the tax threshold – the point at which people pay any income tax at all – from $16,000 a year to $30,000 a year.

This almost doubling of the tax threshold dramatically improves the disposal income and consequently the living standards of our lower income earners. I don’t know if they understand that. It means that a single income household can keep every cent of any amount up to $30,000 that the breadwinner earns. And in two income families, every cent up to $60,000. No tax. All yours.

More money in peoples’ pockets to spend as they choose. And as they use that spending power to buy more goods and services, the positive effective multiplies. The demand they generate generates more power in the wider economy. More demand, more growth, more wealth. More small to medium businesses. Which also means more people leaping over the income tax threshold, contributing to the nation’s coffers and enabling us to expand our social programs to assist those who are most in need.

Madam Speaker, to meet our social obligations, we require greater social responsibility on the part of some of those on higher incomes. So we are saying to those who earn more than $30,000 a year – and especially our top earners - that we expect you to meet your tax obligations to enable us to fund our programs. Very simple.

Whether you are an individual or a business, you must pay your rightful share. And if you want to rip off your fellow Fijians – whether by avoiding tax or charging more than you should be the items you sell – we intend to hold you to account. Which is why I am especially proud of those measures in the budget that are designed to protect ordinary consumers from the predatory practices of selfish and dishonest business owners.

When a supermarket chain is penalized for $53-million dollars for tax evasion, it says a lot about some people’s values. But it also says a lot about this government’s values when those people are brought to account for ripping off their fellow Fijians.

Because above all, Madam Speaker, we believe in fairness. A fair go for every Fijian, no matter who they are or where they come from. And at every level, we are striving for fairness in the system so that people aren’t ripped off. They aren’t disadvantaged.

Madam Speaker, no-one would like to see the basic hourly pay rate for unskilled workers rise more than me. In this budget, we have taken it from $2.32 an hour to $2.68 an hour. The sectoral wages in other areas have also been increased. These figures, Madam Speaker, have been arrived at after widespread public consultations, the input of professionals and taking into account the numerous types of direct and indirect assistance my government provides to low income earners. These minimum rates are what we can afford as a nation at our current stage of development.

Madam Speaker, raising the minimum wage too much would actually result in a loss of jobs, as well as higher inflation. Many people might not be able to afford domestic help, for example, and small businesses may not be able to retain staff, let alone hire new ones. It would also drive up costs for many self-employed people and the 130,000 Fijians in the informal economy - those who drive taxis, own micro-enterprises, sell goods in the markets or sell coconuts and other produce by the roadsides. They have no way to offset those costs and raising the minimum wage too much would actually do them great harm.

Madam Speaker, a responsible government must be concerned with the effects of a wage rise on everyone in society and try to do what benefits the most people and disadvantages the fewest. And that is what we have done.

Again, ordinary Fijians understand this even if some of the opposition parties don’t. Ordinary Fijians also know that many are now paid way above the minimum wages in the different sectors due to the high demand, for example, in the construction sector. And they can also see the great things this government has also provided to relieve some of the cost of living pressures on ordinary people - the free schooling, increased subsidised electricity tariffs, free water, the free medicine, the subsidised bus fares and all those things that weren’t there when this government took office. But that people now take for granted.

Even if they haven’t had the benefit of a proper education - as their children have been able to get for the first time- our unskilled workers have always had common sense and the ability to think for themselves. And they certainly know the difference between a handout and a leg-up. A handout that doesn’t have a lasting impact. And a leg-up that does. Your government providing you and your family with opportunities to improve your living standard as well as encouraging you to capitalise on your own sense of enterprise. Your own hard work. This is the key to moving Fiji forward and we intend to continue this approach all the way to the next election and beyond.

It is the philosophical principle behind our Micro and Small Business Grants Program. That by giving many thousands of ordinary Fijians a leg-up to start their own businesses or improve the ones they already have, we are building an enterprise culture in Fiji. We move away from the idea that government exists to provide handouts and replace it with the notion that government exists to help people help themselves. And having lit that flame of enterprise with these grants, ordinary men and women all over Fiji are responding. Eager, with the assistance of government, to work as hard as they can to improve their lives and those of their families. And contribute to the growth of the Fijian economy.

Madam Speaker, I’m very proud that in this budget, we extend that leg-up to our energetic young people, with the $2-million allocated to assist enterprising young Fijians with their businesses. YES – or the Young Entrepreneurship Scheme – will offer grants up to a maximum of $20,000 to Fijians between the ages of 18 and 30 to develop or expand innovative business ideas.

These applications will be determined by a panel headed by the CEO of the ANZ Bank and I am very pleased to see the private sector partner with us in this venture. As the AG says, we want young Fijians to be job creators not just job seekers. And this is yet another example of the government empowering our young people, as we have also done in this budget with our Commercial Agricultural Scholarships and the recruiting of youth community workers through the Ministry of Youth and Sports.

Madam Speaker, another breakthrough I want to highlight are the pay increases for civil servants – some of them very significant - that are part of our civil service reforms. We are increasing the pay of civil servants because we want to make a career in government service an attractive option for a lot more gifted Fijians. Those who might otherwise go into the private sector or civil society, where pay scales have often been more attractive.

And Madam Speaker, it is also about lifting the performance standards of civil servants so that they serve the public better. Now that we have the base salary and the structure sorted out, going forward, pay rises will be dependent on individual performance-based assessments. Anyone on the public payroll will have to demonstrate that they deserve them. They need to be able to behave professionally, to perform their duties to the highest possible standard. Non-performance will not be tolerated.

Madam Speaker we want those who commit themselves to government service to be treated with the best possible remuneration and with respect. We want them to have a conducive environment to perform to the maximum of their capacity and develop themselves individually through access to increased training and technology. But we are insisting that, in return, they must treat the public with more efficiency and respect as they carry out their duties as servants of the Fijian people, as required by the Constitution.

And so, Madam Speaker, those are some of the values of the FijiFirst Government that underpin this Budget. Above all, the teamwork that we have brought to the governance of our nation, including the great partnership I forged a decade ago with the architect of the budget - the AG and Minister of Economy - whose own commitment and professionalism I salute. Along with that of my entire team.

Just as we passionately believe in fair play as a nation on the sporting field, the government passionately believes in fair play in our national life. And, Madam Speaker, above all this budget is fair. It balances the needs of everyone. It empowers more Fijians than ever before. And it builds on the achievements of previous years, setting us on a path for renewed growth in 2018 and beyond. So that by the time the 50th anniversary of independence comes around in 2020, Fiji will not only have enjoyed an unprecedented period of stability but of prosperity and a fairer deal for all.

I commend this Budget to the House.

Thank you, Madam Speaker.