

NFP will reduce VAT to 10%

The following are excerpts of the speech delivered by National Federation Party Leader Professor Biman Prasad at the NFP Convention on 29th March.

(Continued from last Saturday)

Confronting Fears

As a nation we have lived in fear over the last 7 years. Fear grips our national life. Fear of being heard by someone and reported to authorities, fear of being bullied by those in power, fear of losing jobs, fear of being victimized, fear of losing licenses, fear of being witch hunted by government agencies. Workers, farmers, taxi drivers, teachers, lawyers, doctors, civil servants, academics, journalists, business people, many NGOs have shied away from raising difficult issues because of the fear of being victimized for being critical of the government.

This induced culture of extreme fear has harmed our prosperity and development. It will be a long and difficult journey to re-establish an open, vibrant democracy that derives its core strength from the free expression of our citizens, debate and open discussion.

There is an unhealthy condescending attitude that prevails in our country. If you question government policies, you will be told by the PM and AG that you are an old politician and projected to be anti-national.

To paraphrase, the ‘power and freedom to question is the basis of human progress’. We have lost that power. Today I ask the people of this country to ask questions to this government. Ask frank and difficult questions of us and all those who will seek your permission to represent you.

To the Government, you may direct questions about your freedoms: freedom to say things and be reported by the media, freedom to ask why you are paying so much for rice, milk, chicken, oil and kerosene, freedom to ask why you are paying such much in water bills, electricity bills. You need to ask why is it that you cannot get a doctor

to see you in a hospital when you need him/her, freedom to ask why you are paying punishing fees and charges to set up and operate a small business?

We have crucially not had the freedom to ask why the Auditor General's report has not been made public, freedom to ask why the Public Accounts Committee has been disbanded without releasing reports for the years of Bainimarama government.

To us, you ask what is it that we offer as an alternative?

The present Government has tried to buy our citizens through doles and freebies. Our people don't need pity, they need respect, and they need their freedoms to be restored.

Rather than expensive freebies they need decent and secure jobs, they need secure pensions, they need reasonable prices for the food they buy. Most of all, they need fair play.

Fair play means that the government makes credible and sound economic policies that encourages people and companies to, innovate, to initiate new ideas and invest. They need a level playing field, they need less intrusive government. From economic progress will come security and progress of our people.

Accelerating growth

Our economic performance since 2007 has been dismal. On average the economy has grown by only over 1% in the past 8 years. The persistence of political instability, poor investor confidence, lack of investment in infrastructure, land lease problems, inconsistent government policies, restrictive decrees, high costs of doing business means confidence in our economy remains low. We need to rupture this cycle of low confidence and low growth.

Businesses and employers want certainty in the business environment. Our skilled, professional and unskilled workers want predictability in their employment. They will give their best when they know that their jobs are secure and their wages are fair.

Government policy has been confused, designed to support certain industries and favor businesses selectively. Growth will not happen if Government selectively favors businesses based on their support to the government. Progress will not happen if concessions are granted to businesses based on the loyalty to Government.

It is possible in an open and free environment, with a fair and credible business policy regime to position Fiji on a high growth path well in excess of 6 percent per annum. This is our ambition within two years of the party in government.

Freeing small businesses

But for a high growth trajectory, we have to free up our small businesses. The many decrees, fees, fines, charges, business licenses that have added undue burden to the silent majority of business are killing initiative and effort.

Those most affected are those trying to set up very small businesses such as roadside stalls, small operators, taxi owners, farmers, grog dealers, even small farmers. They face a barrage of harassment by LTA officials, FIRCA officials, town council, Water Authority, FEA, Commerce Commission, I-TLTB and Lands Department. They feel that the whole architecture of government is working against, rather than for them.

These small businesses feel that they are being punished by their government, rather than being rewarded for trying to lift themselves out of poverty. These small business operators have suffered in silence over the last 7 years. We hear your pain.

The NFP will remove all impediments in the way of our small businesses. In Government, we will provide a supportive environment for small businesses and will provide incentives to support people trying to make a living by operating small operations.

Reducing prices

Our poor economic performance has resulted in rising poverty, rising unemployment and frustrated workers with low wages. The biggest killer for our people has been rising prices of food and utilities.

When it took over power, this government promised to reduce VAT from 12.5% to 10%. Instead it raised it to 15%. It devalued the dollar by 20%. Prices have increased by 45.3% since 2006. Food prices went up by 60%, heating and lighting prices also by 60% and transport by 51%. These are the Government's own figures.

In Government the NFP will reduce VAT from 15% to 10% immediately providing immediate relief on the growing costs of essential food items. We will review all import duties on important food items to reduce price further.

Forcefully tackling poverty

Poverty is blight on our country; a blight on our humanity. At independence, only 7 percent of our families were poor. It has grown fivefold. At 35%, more than 1 in every 3 child, women and man in this country now lives in poverty. This is unacceptable.

Over the same period, rest of the world has made remarkable progress in reducing poverty, Fiji has been on reverse.

This government has imposed a national minimum wage of only \$2 per hour in the country or roughly equivalent to \$88 per week income. The daily struggle that a third of our families who live on these low incomes are intense. They juggle daily choices between paying for medicine for their children or rent, paying for bus fare to go to work or for buying bread and vegetables.

Others, who are being paid above the minimum wage, have also suffered large decrease in their purchasing power. These workers were let down by certain trade union leaders from the Fiji Trade Union Congress who blatantly joined the coup regime and have now set up a break away party There are others who joined the coup and helped muscle the poor in this country will also need to answer to the people of this country. Additionally, government through some of its deliberate policies has made the rich richer and poor more poorer. We will also seek answers to the many questions about our FNPF. Since 1987 the FNPF has been mismanaged.

The NFP will review the management structure of FNPF, review the representation on the board so that workers representatives have a majority decision making power. The NFP will review the contractual violations to the pension rates for our pensioners.

The NFP will abolish all decrees including the Essential National Industries (ENI) restricting the rights of workers in this country and allow unions to operate in the spirit of dialogue and consultation with the employers. We will re-establish the

tripartite forum where employers, government and the unions will have the platform to deal with issues affecting the workers of this country in a cooperative, consultative manner. We will revise the minimum wages based on different sectors and we will make the wages council more efficient and effective.

Continued next week...