



**FIFTH NATIONAL ASSEMBLY**

**PARLIAMENTARY  
DEBATES  
(HANSARD)  
FIRST SESSION  
MONDAY 21 NOVEMBER 2011**

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**BILL** (*Public*)

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**MAURITIUS**

**Fifth National Assembly**

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**FIRST SESSION**

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**Debate No. 30 of 2011**

**Sitting of 21 November 2011**

**The Assembly met in the Assembly House, Port Louis,**

**At 11.00 a.m**

**The National Anthem was played**

*(Mr Speaker in the Chair)*

**MOTION****SUSPENSION OF S.O.10 (2)**

**The Prime Minister:** Mr Speaker, Sir, I beg to move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

**The Deputy Prime Minister rose and seconded.**

*Question put and agreed to.*

**PUBLIC BILL**

*Second Reading*

**THE APPROPRIATION (2012) BILL**

**(No. XXVI of 2011)**

*Order read for resuming adjourned debate on the Second Reading of the Appropriation (2012) Bill (No. XXVI of 2011).*

*Question again proposed.*

(11.00 a.m.)

**Mr K. Li Kwong Wing (Second Member for Beau Bassin & Petite Rivière):** Mr Speaker, Sir, may I start by congratulating the hon. vice-Prime Minister and Minister of Finance for his maiden Budget, which is the seventh in a row of this Government, but also it is a Budget of a third Finance Minister within a short time of two years. It seems that all is smiling at him because there is no more talk of a triple shock *à la Sithanen*, no *squelettes dans les placards*, all these are a far cry and the financial crisis of 2008 is already over. So, the hon. vice-Prime Minister and Minister of Finance is reaping the benefit of a bumper crop of fiscal revenues and there is ample fiscal space for him to bring down the Budget deficit inasmuch as reserves have been built up, and as the Governor of the Bank of Mauritius said:

‘In Mauritius there is no bank failure, there is no currency crisis, there is no property bubble bust, there is no unduly high inflation and there is no collapse of export earnings’.

So, we need not be pessimistic because there is resilience all over the place. But then what do we hear, the hon. Minister of Finance is playing it very gloomy and mentions ominous signs growing ahead, announcing a double dip recession. So, what are these problems ahead? What should he do? And what do people expect from him, as the new CFO of Mauritius Inc.? When we look at the Budget speech, one cannot but think of the list of hyperboles that he has showered all through the speech at the very start itself. It is like a headline grabbing list of hyperboles. Starting from paragraph 5, this is what he said -

“(...) our country has weathered every storm”.

Again, at paragraph 7-

“Since 2006, we have set out one of the simplest tax return systems in the world and we have also made Mauritius one of the lowest income tax economies in the world”.

One would have thought that there is the pen of Sithanen signing it, but the language of hyperbole, reminds us of a meeting between Kafta and Don Quixote. Have we really weathered every storm? Is our tax system the simplest tax system when we have in this tax system a panoply of rates, ranging from 0% for the Freeport operators to 15% for some, 17% including the CSR and in the case of the offshore management company, it has even increased to 27%. Is that so simple to make head and tail of the tax system when you have such a wide range of rates? So, we have even moved out of the unified tax system. As for the assertion that it is one of the lowest income tax economies in the world, this is also an exaggeration when we think of so many stealth and disguised taxes in the form of user charges and all kinds of double taxation when the VAT is hit on the excise duties.

When we look at paragraph 53, it even borders on the comical. Paragraph 53 says -

“We have given some deep thought to the impact of taxes on dividends and interest (...).

We have weighed their pros and cons. And we have decided on what is best for our country.”

When we think that this type of tax has been imposed, removed, and in spite of all the advice given by Andrew Scott, we now hear that it is as a result of his pros and cons weighing that what

has been decided is now in the best interest of a country, while all the time it has not been in the best interest of a country?

If we look at paragraph 57, what does it say? It says –

“(... ) our system of taxation on property is erratic and sometimes excessive”.

Then, you would admit that your Prime Minister has been wrong in not seeing that it has been erratic and excessive all the time. To crown it all, this is what he said: ‘I have put the long-term interest of a country first’. Then it meant that the hon. Prime Minister has been putting the short term interest of a country last year. So, when we look at all these hyperboles, we can see the contradiction, which put this Budget rather in a ridiculous light.

Mr Speaker, Sir, this Budget needs a thorough analysis, in order to understand the nature of its approach. If we look at the total expenditure under this Budget, it has increased from Rs 90.1 billion to Rs101.5 billion. That is an increase of Rs11.4 billion in terms of total expenditure, which makes a 12.6% increase over the year. This 12.6% increase of total Government expenditure is truly reckless because the international norm for fiscal prudence would recommend an increase in Government budgetary expenditure by half of the annual growth rate. So, this is by far higher than half of the annual growth rate.

If the Government expenditure has increased by Rs11.4 billion, let us see what has caused the increase? The main item of the increase is the Government debt servicing, which has increased from Rs14.6 billion to Rs18.6 billion. This means that the servicing of the Government debt has increased by Rs4 billion, that is, by 27.3%. So, the increase in the total Government expenditure is caused mainly by the increased in the debt servicing. This debt servicing of Rs18.6 Billion is even bigger than the total Budget of the Ministry of Social Security or the Ministry of Education. So, this is a country that is paying debt more than it is investing or spending on education or social security.

How is this fiscal profligacy financed? The Budget talks of a total revenue of Rs76.9 billion, which is an increase of Rs7.7 billion over last year. This increase in Rs7.7 billion is financed mainly by an increase in taxation, which has increased by 5.9%. So, the bulk of the increase in the Government expenditure is financed by an increase in taxation. We have been used to what we call a no-tax Budget, but this one is definitely a more tax Budget.

Mr Speaker, Sir, when we look at the composition of the revenue financing, we find that the bulk of the taxation rests on indirect taxes. This is an unfair and regressive system of

financing the Budget. One wonders how the economy, which is now growing at a slower growth rate, would be able to have that buoyancy to fuel the VAT receipts to finance the big government spending.

The VAT has increased from Rs22.5 billion last year to Rs24.8 billion, that is, an increase of Rs2.3 billion only in VAT. If we look at the budget deficit, it is clear that, in absolute terms, it has well increased, although, as per the accounting methodology of the IMF, the budget deficit has remained at 3.8% of GDP, assuming that the GDP will rise by 4% next year. But it is clear that the budget deficit has increased by more than Rs1.3 billion; from Rs12.2 billion to Rs13.5 billion, meaning, therefore, that it needs not only to be financed by more debt, but also by external loans.

In fact, the external debt is taking a higher proportion of the total debt for the financing of this budget deficit, meaning that we are relying more on foreign loans than on domestic funding.

Mr Speaker, Sir, we have seen, therefore, that the high public expenditure causing the high budget deficit, which is financed by high public debt, particularly foreign debt, is going to cause a higher burden on future generation. The Minister of Finance, by taking up the economic meltdown around the globe and whipping up the historical scale of a downturn is trying to soften the House to the equally historical overdraft that he has unveiled, which is the biggest overdraft in the budget history of Mauritius, an amount of Rs15.6 billion. He simulates a feel-good effect after the budget as a result of his presentation but, maybe, he has to be reminded that, within two weeks of his Budget Speech, the portfolio investments by foreigners have already fled by an amount of Rs71 m. from the stock market. This gives an idea how the foreign investors are appreciating the signals of his budget, and the risk to his fiscal plan has already begun to crystallize in the form of downgrading of the growth forecast. As you already know, the growth forecast was 4.6% and has been downgraded to 4.2%, and this year it is going to be 4%. Already, the Chamber of Commerce has downgraded it to 3.8%, and the MCB to 3.7%.

This budget has not seized the opportunity to redress the fiscal imbalance. This budget has failed to address this issue, because we have a dysfunction of the economy which is, in fact, *en panne et à bout de souffle*.

If we look at the priorities that the Minister has set forth for this budget, he said that one of his main priorities is to bolster growth. But, as we have just said, the growth for this year, which is supposed to be dynamised by his budget, is going to be lower than that of last year, and

even that is going to be downgraded. So, not only the growth will be lower, as a result of his budget, but it means that unemployment also may rise too, and that is the reason why we did not have any forecast of the unemployment rate for the next year. This implies that we are going into an era of jobless growth or even job loss growth. Meaning, therefore, that this budget will cause stagnation and also inflation, because inflation is keeping an upward trend, and the Minister dares not even give an estimate of the rate of inflation for the year, hence, the conclusion that this budget will cause stagflation and, therefore, pauperisation of the population.

It is important here for me to say a few words about growth. Very often, we hear that Mauritius has fared better than Europe and the US. But let us remind ourselves that the average growth rate over the last three decades, since the 1980s, has been 5.5% per year, and it is only since 2005 that we have an underperformance, with an average growth rate of less than 4.5%.

This average growth rate over the past five or six years is even underperformed by the coming year, because the projected growth rate for 2012 of 4% is even below what the Prime Minister has called the chronic satisfactory underperformance of the economy.

However, let us also note that, to maintain our standard of living, we require an economic growth rate of 6%, and if we were to raise our standard of living and ensure greater prosperity, which he has called ‘Growth for the Greater Good’, then we need 8% growth. So, it means that, for next year, we are not even at half that rate, which is required to raise our standard of living. So, the track record is very meagre, and the prospect is even bleaker. Mauritius has been always said to be a basket case of Malthusian crisis, because the population growth has been fast outstripping the output growth in the days of the Meade report. But this Malthusian crisis has now become a kind of a Ramgoolamian crisis, because brinkmanship and inertia *sont en train de plomber la croissance*, because you are having a very sluggish growth. If it is claimed that we have moved from *un état d'urgence économique* to *un état de resilience*, we can truly say that, in fact, we have come now to *un état de décroissance, un état de economic decline*.

We just need to compare Mauritius to Africa, in order to understand this. We always say that Mauritius is far more developed than Africa. If we look at non-oil producing Sub-Saharan countries, we find that the non-oil producing low-income Sub-Saharan countries are having an average growth rate of 6.7%, compared to our growth rate of 4%. If we take, for example, Kenya, it is 6.5% for next year, 2012; Mozambique, the growth rate will be 7.8% in 2012; Tanzania, 6.6%; Zambia, 7.4%, and these are just low income countries. But if we take middle

income countries like Botswana, the estimated growth rate is 6.6%. So, Mr Speaker, Sir, if we want to escape this middle income trap, this economic stagnation, then we really need to start running at full speed. This budget is putting Mauritius in the worst kind of decline. That is, a slow decline, just slow enough for most people to keep deluding themselves that nothing really fundamental needs to be changed, but the future economic performance is not even matching that of the past.

Mr Speaker, Sir, allow me now to address a few macroeconomic indicators. Let's take the case of investment; investment has gone down to 24.4% of GDP and private sector investment has continued its downward trend to 17.9% and if the total investment is still there, it is mainly sustained by public investment in infrastructure and the Stimulus Package because the investment in manufacturing sector and agriculture has declined dramatically in the past years. Therefore, the quality of investment in the recent years does not match the kind of investment that would ensure the growth in the medium and long term. In fact, the non-public, that is, the private sector investment in recent years, have gone into areas like land speculation and property development that are chasing quick bucks and speculative return. Investment is concentrated in construction and real estate. 70% of private investment is in construction and real estate, 13% of GDP is contributed by real estate activities and in the first half of the year, 75% of FDI has gone into real estate and construction.

So, since 2008, private sector investment has witnessed a decline and it is not even mentioned in this Budget what is the estimate for next year and in all likelihood is going to register a zero growth. Mr Speaker, Sir, it is not the desired investment rate that we are witnessing. We need a much higher rate of investment. The causal relationship between investment and growth is sufficiently known that we do not need to emphasise it again. As a nation such a dismal rate of private investment is a harbinger of the worst to come. A particularly alarming symptom is the threat of public sector investment crowding out private sector investment. The economists coin these words, 'crowding out', and what we mean is that there is a disproportionate share of public investment which discourages private sector to invest. Usually two effects occur; there is a direct crowding out and a financial crowding out, both of which combine to stifle private sector initiatives because Government competes for the same resources and, very often, offering higher prices than the market prices. Already, as we have just seen, the investment in manufacturing and agriculture has declined and the Budget is creating even more

serious imbalances for the future if we consider that this increase in public investment is going still full blast.

The Minister of Finance cannot, therefore, look after the short-term economic problems and fail to address the long-term structural issues. Mauritius needs a planning unit more than ever to address these structural problems. We are currently groping without a sense of direction and without being guided by proper strategic economic thinking and this does us no good. An obvious snag is that some of the mega infrastructure projects intended to correct the deficit in investment are being implemented in a haphazard short-term expedient manner and often, *ad hoc* without proper planning.

Our success in the past stem largely from our being a thrifty nation, but today savings as a ratio of GDP is hovering around only 16%. This implies that there is a resource gap of over 8% which would need to be financed by foreign direct investment or foreign borrowing. This year, the foreign direct investment has not grown and has actually declined. Given the lag effects of investments, we are therefore heading towards this serious economic imbalance with a sluggish growth, with high unemployment and rising inflation. It is surprising, therefore, that the Budget does not refer at all to the saving variable. It is even feared that we are now entering a vicious circle of low savings, low investment and low growth and neither the tax abolition nor the little push that has been given to SMEs will be adequate to make good for failing to address this savings issue which has been continuing since this Government came into power.

Another macroeconomic variable important to consider is the current account deficit. This has been hovering around 12% of GDP. Is this rate sustainable? It does not appear that in the Budget any measures have been announced to rekindle exports especially manufacturing exports. In any case, the former EPZ sector which currently employs slightly over 56,000 people, including over 17,000 foreign workers has reached a stalemate and the exports are not expected to rise for next year.

So, what policy measures are we introducing to address this issue? The former EPZ factories will continue to shed jobs and private investment in manufacturing will continue to fall and the share of manufacturing as a whole to GDP will continue to drop, it is already 6.5% last year. So, what we are witnessing is that there is no new pillar of development that has been stimulated to create the higher value added manufacturing and new job opportunities. This

Budget has little to offer in terms of innovation or opening new vistas for growth. It has no vision, it has no mission and it touches only on peripheral issues concerning manufacturing.

The current Budget Speech has been remarkably silent about the current account deficit, but it has prided itself that the balance of payment surplus will be positive plus Rs3 billion. It is important to note that even the evolution of the balance of payments in the past five years clearly shows a deterioration of the country's external balance. The sustained huge deficit in the current account of the balance of payments represents a constant threat that could put severe pressure on the foreign exchange reserves of the country and eventually, strain the exchange rate of the rupee and the price level in the economy. But, the Minister of Finance seems to be oblivious to this.

He is caught in a kind of a merry-go-round. The higher the current account deficit through a higher level of imports means that more VAT is going to be collected at the level of customs and, therefore, less need for the Minister to take unpopular fiscal decision to reduce the budget deficit and to cut expenditure. So, he is not worried about the current account deficit and he is merrily borrowing from external funds, external countries, and looking for foreign grants to fund that deficit. This shows that no measures are taken to correct this imbalance and we are only postponing painful measures in the future. The balance of payments tells us also that the Foreign Exchange Reserves of the country, that is, the net international reserves on which the hon. Minister prides himself, representing more than 40 weeks of imports, have not been accumulated on the strength of our current account surpluses generated by an excess of exports or the imports, that is, by the organic growth of the economy. This is a performance due to the inflow of volatile capital, due to the inflow of foreign grants and external borrowings by Government. But Mauritius cannot indefinitely depend on such volatile inflows of capital to finance the current account deficit. Therefore, the policy action cannot be delayed any further to prevent a future drain on the Foreign Exchange Reserves and also a likely exchange rate shock.

Let me say a few words about fiscal reform. This has been claimed to be one of the priorities of the hon. Minister. In fact, have we had any fiscal reform or have we not had rather a counter reform because when we look at the fiscal system, it is the same old dependence on the usual tool of taxing mass consumption which has inelastic demand? On items of mass consumption like wine, tobacco, and SMS which are supposedly called *sin taxes*, but such heavy reliance on one single tool of taxation which is regressive and unfair because it represents already more than 68% of total taxes, grabbing more than an additional Rs3.7 billion out of the

pockets of consumers, this system of taxation is putting undue burden on consumers and it is clearly not sustainable. If we look at a tax system, it consists of four main elements: tax on personal income, tax on corporate profits, tax on consumption and imports, and tax on property.

We have seen that the hon. Minister has chosen not to rely on direct taxation by removing all the impediments to direct taxation and has relied almost exclusively on tax on consumption and what is unbelievable is that he has completely zero-rated tax on property. So, property transaction tax, property gains tax, land transfer tax, registration duties on land transfers and transactions, all these have been eliminated. This is the tax system that is highlighted by this Budget - unfortunately, hon. Ms Deepalsing is not around, I would have loved to see how she reacts to that.

Not only is this an unjust and unfair tax system which taxes low-income consumers, which does not touch on the privilege of a few, but this system of taxation also has shown very little coherence during the last six years. If we just look at the taxes like NRPT, tax on savings and dividends, tax on the offshore sector which has been raised to 27% now and all the taxes on capital gains tax and land transfer tax, we have seen that all these have been dictated by political expediency. It is because there is need to accommodate power politics that the tax system has been made so unpredictable and so unstable that it is no wonder, therefore, that it has acted as a disincentive to investors and the rate of private investment has been going down.

Not only has there been no coherence in fiscal policy, but, in many instances, there has been a complete U-turn, what we call reverse gear or backpedalling. You just have to look at the different taxes that have been suggested or proposed; the tax on garbage, for example. Government has to reverse that decision, not to impose it. The tax on the Offshore Management Company, I have heard from the press reports that the hon. Minister is going to review it. The question of imposing speedometers on motorcycles and number plates in order to raise revenues, all these have also suffered backpedalling. So, it is this kind of fiscal waywardness that leaves, in its way, a number of victims and damage due to the casual manner of decision-making. How surprising to say the least that it is Government that just reverses policies like this and yet he claims to put back confidence among economic operators. Had the Government really pondered before introducing those tax policies from which it continuously retracts over such a short period, he would not have landed the country into this kind of contradictory amateurism in fiscal policy making.

Clearly, this kind of fiscal policy inconsistency shows that the long-term perspective has been totally absent from its thinking. This also explains why we are caught so much unprepared in the face of an international economic crisis growing with the crisis of the euro zone which is our principal export market. Instead, of instituting consistent coherent growth-enhancing tax policies, the Government has been just toying with all sorts of tax with limited lifetime. There is another more dangerous aspect of tax policy. This is the dismantling of all the tariff barriers to promote the duty-free island. Have we really considered what impact it will have on the displaced manufacturing sector and has the Budget provided anything to support and upgrade these displaced local manufacturers through technology, training, product development, market intelligence and market development? No, Mr Speaker, Sir! It is out to kill local manufacturers, it is just killing all the craftsmanship in this country. If we take into account the decision to remove the tax on footwear and shoes; we have heard from the radio the Association of Shoemakers saying that 15,000 shoemakers are going to be *sur les pavés*. Is this the kind of tax reform that we are looking for? Is this the kind of recipe that we are giving to the nation? Big bonanza for the big capital!

*(Interruptions)*

**Mr Speaker:** There is no need to make remarks from a sitting position!

**Mr Li Kwong Wing:** And crumbs for the poor! So, Mr Speaker, Sir, this budget shows fiscal irresponsibility by giving such tax breaks to favour big capital and FDI and also giving piecemeal exemptions and allowances in an *ad-hoc* manner to lobbies and specific interests. It is this lack of fiscal sustainability that is leading to an increasing public debt to finance an increasing budget deficit, putting burden on future generations when the tax burden on the consumers is already unbearable.

Mr Speaker, Sir, another priority of this budget is to consolidate and prepare for the global economic crisis to come, which is said to be the worst in history. We are talking of the risk of our economy being battered and bruised by the gyrations rocking the world. But what does this Budget do? It is business as usual, Mr Speaker, Sir, with only renaming of various programmes, rebranding with no vision, no plan, no strategy. New circumstances would require new growth policies and doing the same thing in new circumstances will not work its effects.

There is no bold plan to boost up private investment and the focus is on real estate, again favoring speculation. There is no integrated strategy to improve the productivity neither in the

public sector nor in the private sector, but we have been gratified with just one supposedly innovative measure which is, the setting-up of a Rainy Day Fund, which would provide contingency monies to shore up sick firms and battered public finances in the future.

There is no plan, Mr Speaker, Sir, to cut wastage, to reduce the mismanagement of public funds, to review and reprioritise public spending, to restructure parastatals and State enterprises, to introduce a Fiscal Responsibility Act and there is no plan to galvanise the energies of the whole nation, to brace up for these hard times to come. This Budget really fails to deliver the goods. It has no ambition, it has no inspiration and it only relies on promotion campaign and roadshows to hype up visibility of Mauritius.

If we were to identify the most important economic agenda that a Government is called upon to address, it is about preparing the economy, to take on markets in the region and to become really competitive. This would have required a revamping of our production apparatus by instilling greater efficiency and variety in our production. It would require protecting our scope for production by launching new areas of activities and innovating the apparatus of production. It would require a framework to comfort employees in different grades that they would be decently remunerated at each level of employment and that those who find it difficult to go up the ladder would be helped through intensive training provided by private and public sectors. The effect would have been to rebalance a social equation that has been seriously disadvantaging the less well off for some time now. But these priorities have not been addressed, Mr Speaker, Sir.

There is nothing about reorienting or refreshing our overall structure of production. It is a structure of production based on big capital, on large land ownership, on speculation, on rent seeking. Generalised statements such as making Mauritius a regional hub do not go beyond the statement of intention.

We are in a position to formulate concrete proposals about integrating Mauritius with the region and qualifying ourselves to play the role of regional business hub by cutting an edge above all the others. But there is a void in this Budget, Mr Speaker, Sir. There is form without substance and the National Resilience Fund does not answer such a call. At best it may be a device for mending whatever wrong has been done by the Government to the economy, but as in the previous case of the stimulus packages, it runs the serious risk of dilapidation of public funds in favour of cronies.

Mr Speaker, Sir, allow me to address a few policy issues which have been mentioned in the Budget, but sometimes it has been kept silent and not mentioned. Let us look at the waste and dilapidation of public funds and the need for public sector reform. There is definitely a need for a second generation of reforms at this juncture, but we have heard so much about economic reform under the Sithanen Budgets and we are expecting to see a second generation of reforms from the hon. Minister, but again, this is expecting too much.

If we are to examine at a deeper level the anatomy of our failure, it springs from the same kind of amateurism concerning the upkeep of our key economic institutions. There is no need to emphasize how catastrophic management decisions have been made at institutions like the STC, Rose Belle Sugar Estate, Air Mauritius, Airports of Mauritius, Duty-Free Paradise, CWA, CEB. The root cause of this kind of wide-ranging management failures lies in the appointment of misfits into public institutions almost across the board. Not only have the appointees failed to deliver, but they have diverted the institutions from their main mission and they have failed on it. They have broken them. It is not by following up the implementation of specific budget targets over the next six months, as claimed under the new timeframe in the Budget, that the damage that is being done by these distorted management failures will be overcome. This Budget talks and talks only. It does nothing but talks about growth, about keeping Mauritius as a top class destination. But what does this Budget do for our own people? It can be summed up maybe in five typical measures. What is it doing for our people?

First, it is cleaning and embellishing the environment through the Tourism Authority through a budget of Rs25 m. It is going to carry out a campaign to control stray dogs. It is going to remove VAT on cosmetics, perfumes, deodorants, electric razors, hair dyes and to crown it all, it is going to provide for Mauritius joint promotion campaigns through the BOI, Enterprise Mauritius and MTPA to the tune of Rs500 m. plus the budget of MTPA of Rs385 m. A total of more than Rs800 m. is going to be wasted in campaigns of promotion that are not properly planned, with no strategy and which are usually just hurried up at the last moment to accommodate a Minister who is going on a Conference.

What is there for the small farmers, for the small breeders, for the fishermen? What is there for the ‘*ti-dimounes*’? With the return of the PMSD in command of finance, *c'est un plaisir! C'est presque de l'irresponsabilité M. le président, de faire de ce genre de budget, face à une crise sans précédent qu'il a lui-même annoncé. C'est un départ raté pour le nouveau CFO à*

*la tête de Mauritius Inc. Peut-être que le Premier ministre aura raison cette fois de nous comparer avec la Grèce, un pays qui est dans en voie de la faillite.*

Mr Speaker, Sir, we are talking about public sector reform. What about the State investments? The situation is even worse, just to mention a few. Government has invested hundreds of millions of rupees in Jin Fei, Belle Mare Water Park, Belle Mare Tourist Village, Land-Based Oceanic Park, etc. All these are projects which have cost huge amounts and most of them do not have their accounts audited in time. Out of Rs10 billion worth of investments made by Government over the years, Rs9 billion have never made a single cent of return over the years and this is in black and white in the Director of Audit's report of this year. The Director of Audit unravels billions of squandered public funds each year before the National Assembly but not a single public officer has been made accountable for any loss of waste of money. Mauritius has copied a lot of foreign political ideas and practices from Prof. Carcassonne to Andrew Scott, but we have always failed to make them work efficiently. We must put in place all the means and ways to stop our morally and ethically bankrupt officers from exploiting their official position to rip off Government coffers with impunity and without any possible consequences that their actions may have on the nation.

Mr Speaker, Sir, waste has become the number one killer of the wealth of our nation. In order to curb this extreme wastefulness, I suggest that we put abuse of power in criminal law to make it applicable to all the heads of enterprises and I suggest that an article prohibiting the waste of public funds be written in criminal law so that there are detailed regulations proscribing the abuse of power and the wastage of public funds. An accountability system should be established because it is only by making people accountable that change can be made. A Right of Information Act should also be passed to make available to citizens of this country all the information in all transparency concerning use of public funds.

In this regard, may I mention the hidden agenda of public procurement? In an appendix, the Minister has provided that the Procurement Act be amended to provide for three things: number one, that it will not apply when there is an agreement to be entered with a foreign country by Mauritius for the purpose of benefiting the development experience of that country. Mr Speaker, Sir, this is one.

The second case is where the procurement is in respect of an information and communication technology project or due to sensitive information and potential risk in the

execution of Government projects which require interfacing with different systems. Then it is said to be necessary to protect the safety and interest of Mauritius that the project be approved without going through the procurement procedures.

The third item of this hidden agenda is that when there is a framework agreement for bulk purchases like petroleum, then procurement procedures under the Procurement Act will not need to be gone through.

Mr Speaker, Sir, if we relate this to what has happened in the case of Betamax, CT Power, Jin Fei and what is likely to happen in the case of the national identity smart card, I think this will be a tall order to get the Opposition to accept this by amending the Procurement Act through any legislation.

Mr Speaker, Sir, let me come to the issue of democratisation of the economy....

*(Interruptions)*

**Mr Speaker:** Order!

**Mr Li Kwong Wing:** The Minister has talked about striding towards full democratisation of the economy. Do you know how he is achieving this? By slapping an additional 10% on the offshore management company! Here I have to plead my interest, but I have enough experience to say that the global business sector is one of the few sectors in Mauritius where there is no captive market because the market is not local, the market is overseas. The market is driven by people with brains, people who are efficient, people who work hard; it is not by people who have inherited land, not by people who have inherited wealth, not by *fils à papa*. This is a sector really which is truly driven by people who put their brains to work, who put their innovative skills to work. How scandalous that the Minister is putting an additional tax of 10% on a sector which does not depend on brick and mortar; a sector which does not depend on ownership of land! Is that reasonable, Mr Speaker, Sir? How insensitive can this Budget be? In the case of the big landowners, they are trading their land for foreign capital. Let's take the case of Bagatelle. In the case of Bagatelle, the owner puts his land upfront and the foreigner puts his capital in; the foreigner comes in, he brings his construction company, he brings his materials, he brings his equipment, he brings even his foreign workers and his foreign brands. What do we get in the country? Is this the type of development we are looking for? Is this democratisation of the economy? I would like to see the face of Ms hon. Deerpalsing on this matter. Property development has become the driver of growth...

(*Interruptions*)

**Mr Speaker:** There is no need for the hon. Member to refer to the hon. Member.

(*Interruptions*)

**Mr Li Kwong Wing:** Sorry, Mr Speaker, Sir.

While doing on the one end this kind of *cadeau* to big capital, to big land owners, on the other end, what is happening to our Welfare State, Mr Speaker, Sir? Even health care now is being privatised. The decision has been taken under this Budget for Government to allow employees to take money from the National Savings Fund to finance Private Health Insurance Scheme in order to get private healthcare. As hon. Dr. Satish Boolell said, in Mauritius there is peer pressure. You know in Mauritius, if you don't take tuition for CPE, then you're being outcast. So, if somebody is taking his savings fund to contribute to a private insurance scheme, his neighbour also will want to do it and he also will want to go and see the private doctor and the private clinic. So, instead of providing more resources for public health system, instead of improving service delivery, instead of training the medical officers in the public sector, this is what is being surreptitiously made : a creeping privatisation of public service.

Mr Speaker, Sir, there is not only the beginning of a dismantling of the State. You know very well yourself, Mr Speaker, Sir, as a former Labour stalwart, that labour movement is based on the Welfare State and the cooperative movement. The co-operative movement has suffered a big blow when the Labour Government closed down the co-operative bank and the same Government has slapped a 15% tax on cooperatives. Last year, hon. Pravin Jugnauth removed the 15% tax, but only on sugar credit cooperatives. Could not the Minister have some heart, some care towards the small farmers, small producers and small entrepreneurs in cooperatives and remove with immediate effect the 15% on cooperatives? What kind of a Budget is this, Sir? *Cadeau pour les super riches, miettes pour les pauvres !* Why not remove VAT on all food items with immediate effect? Shopkeepers are facing a slow death with the influx of these megamalls. The sourcing from suppliers who sell at lower prices in their own outlets than their wholesale price is killing the shopkeepers.

Mr Speaker, Sir, let me, therefore, conclude on this economic aspect of the Budget to say that this Budget is not the budget of a CFO of Government. It is the budget of a COO, of a Chief Outsourcing Officer, outsourcing all difficult problems to the private sector, privatising the casinos, privatising tourist village, privatising Albion fisheries. It's always the same thing.

Whenever there is a problem, just privatise it, outsource it, evacuate the problem and it will go. In the case of tertiary education, the outsourcing goes in the form of providing land to private tertiary institutions in order to build new universities for the increasing number of students that want to do tertiary education.

Mr Speaker, Sir, this Budget is a budget for big capital; it is a Budget for big Government. *C'est un budget d'exclusion des pauvres.* Come to think of it, there are two other aspects on which I would like also to have reaction from the Commission of Economic Democratisation. We have heard so many times criticisms of the tariff of the IPPs. In this Budget, we have heard nothing in spite of all the criticisms that have been voiced by the Government against the private electricity producers, nothing has been mentioned. In the case of CSR, the Minister has changed the definition of profit. Let me just quickly remind the House that the tax that is paid for CSR does, indeed, include double taxation of dividend. What happens is that the definition of the dividend is such that you are paying tax on dividend that is paid by one firm to another firm so that you have double taxation of dividend. So, the private sector has asked that we have a simple definition of profits so that you are taxed only once on your profit. Rama Sithanen refused, because he said this is a solidarity tax. So, if there is some double taxation of dividend, it is just peanuts to be paid by the rich. I know that hon. Pravind Jugnauth also refused this because he considered that it is a minimal tax though it can be administratively burdensome, but that was refused. Our Minister here immediately scrapped the tax as soon as he gets into service. So, what I can say is that all the tax policy of this Government is favouring the rich and ignoring the poor.

Mr Speaker, Sir, let me turn to the social aspect of the Budget. It has been said that the Minister has been through the Ministry of Social Integration and therefore he has made a social budget. If we look at the Budget, at the estimates of expenditure and we look at what has been the achievement of the Ministry of Social Integration last year when he was in charge, for a budget of more than Rs723 m., Mr Speaker, Sir, look at what is the major achievement? This is in the book. It is: provision of educational support for 25,000 needy children, that is books and schoolbags. Rs723 m., Mr Speaker, Sir, it is: integrated housing project at La Valette which is a project that has already been completed under Sithanen. Provision of 850 corrugated iron sheet shelters, 460 concrete cum CIS housing, 3,200 unemployed people trained in a variety of services and microcredit to about 1,000 people. For Rs723 m., Mr Speaker, Sir, this is the

achievement that is said by the Minister, to have been achieved by that Ministry. In the same token, he has also outsourced the problems of pig-breeders, the problem of unemployed women and the problem of *Espace des Métiers* which has never been able to take off in his Ministry.

Mr Speaker, Sir, when we talk of social policy, let us remember what was the objective of Government. It was to empower the people, especially to cover the 7,000 households that have been surveyed in year 2000. But, Mr Speaker, Sir, if we look at the definition of poverty of the United Nations - in Mauritius, the number of households that could be considered under the appellation of 'absolute poor' is more than 26,000 households. So, how by targeting 7,000 households from a list which is totally outdated since 2000, can we have any dent on the problem of poverty in Mauritius? Is not the budget of Rs723 m. a complete waste and a complete mismanagement of funds? If we look at what people have said concerning the Ministry of Social Integration, this is what has been the result. There was supposed to be land to be purchased to the extent of 2,000 to 3,000 *arpents* for social housing. Nothing has been purchased. There was supposed to be about 20,000 people to be put under placement and training scheme, only 9,000 people have been put. There was supposed to be tourist villages; now we hear that even the one tourist village that has been built, is going to be sold. There is supposed to be a lot of support for entrepreneurs and unemployed women, nothing has been done, Mr Speaker, Sir.

The National Empowerment Fund is operating in a wasteful manner, because all kinds of political nominees have been recruited from the Tourism Ministry in order to take advantage of the private sector pay, because the National Empowerment Fund is a non-profit private company which pays higher than in the civil service. Now, we see that tourism staff have been brought to the NEF to look after the poor, but when the Minister has shifted to Ministry of Finance, these specialists in tourism do not want to go back with him to hone their special skills, because they are getting a better pay in the NEF.

Mr Speaker, Sir, let me, therefore, conclude on this note, on the National Empowerment Fund, to say that its performance has been abysmal and the social policy, the propoor programmes have not been achieved at all and that it has been a complete waste of funds just benefitting a few category of political appointees. Because, Mr Speaker, Sir, care for the poor does not come from the fact that you are mixing with the poor. Care for the poor comes from a conscience about the conditions and the causes of their poverty. Care for the poor comes from

the heart, but if people have not got the conscience and the heart, however much money you can pour in the Ministry of Social Integration, it will achieve no result.

*M. le président, ce budget est, donc, antisocial. Ce budget ne fait que gaspiller de l'argent dans la main des political nominees au lieu de bénéficier les pauvres.* Instead of empowering the poor, in fact, you are weakening the poor, you are strengthening the few fatly paid salaried political nominees in the Ministry. I think, Mr Speaker, Sir, it would not be too strong to ask for a compete inquiry into all the recruitment that has been made in the National Empowerment Fund.

With regard to SMEs, Mr Speaker, Sir, the big banks are putting Rs3 billion for three years to supposedly help the SMEs but this will not achieve its results, because it is not very clear what is the moral hazard that would be induced by the following factors.

Firstly, will there not be recycling of all bank overdrafts for their existing clients to benefit a select few with a lower cost of lending? Will there not be lending to traders, vendors and distribution agents with quick turnover and a good margin without creating any new jobs or any new activity? Will it not be loans to foreigners steeped in property speculation? So, unless we know that this scheme is not just a bail out mechanism for a few banks that have a bad loan book, we do not see how the results are going to be achieved. In order to reignite the SME sector as a new engine of growth, there are many other things that need to be done. And what is the sense of requiring banks that may not lend their quota of credit to the SMEs to freeze their unlent amount at the Central Bank at 0%, where their capital would be preserved, when the whole idea of that scheme is to drive those risk-averse banks precisely to use their excess liquidity to take risks with these SMEs, with the possibility of loss of capital? Let us just hope that it is not just another political gimmick, and let us just hope that it will not leave the SMEs high and dry as usual.

Mr Speaker, Sir, I would like to conclude. Today, the people of Mauritius are looking up to a budget that would have made a difference to their lives. They are pinning their hopes in these uncertain times on a plan for a better future and a roadmap for greater prosperity. They are looking for a new business model, a paradigm shift. But they have been short-changed. The budget is not innovative, not inspiring, and not transformative. It is a budget *bouge-fixe*.

Yet, the times are hard and are getting harder. But the economy is mired in stagflation and the government is steeped in mounting debt, and our businesses are not creating enough jobs. Our households are struggling to make ends meet, and our children fear for their future.

And it is in times like these that the weak, the poor and the have-nots get the worst blows and suffer most. This budget has not helped them; it has hurt them. We, on this side of the House, Mr Speaker, Sir, will stand ready for help. We have an alternative plan for a better Mauritius. We have a plan that is going to truly bring about that democratisation of economy and liberalization of the full potentials and energies of the population. This budget has failed the population, but we stand ready, Mr Speaker, Sir, to lead and to steer the situation with the people, working together for, as our poster says : ‘*Sauvez le pays avec le MMM!*’

*Merci, M. le président.*

(12.12 p.m.)

**The Deputy Prime Minister, Minister of Energy and Public Utilities (Dr. R. Beebejaun):** Mr Speaker, Sir, I thank hon. Obeegadoo for pointing out that I was one of the Members who sat throughout the debate and listened extensively to the interventions on both sides. I take this opportunity to point out that the rationale and vision of this budget has been extensively addressed on both sides of the House more so on this side. And, on the other side, when I listen to the interventions, I get the impression of three blind men trying to describe an elephant. This is the impression I get.

We started barely two weeks ago with the intervention of the Leader of the Opposition. We have taken note of a lot of what he said. I must say that some of criticisms arose from not knowing the state of the situation, and I will enlarge on it as we go along. As for the sort of feel-good factor that we noted on the day of the budget, it is still there and stronger than ever. It is a budget of hope, of hope in difficult times.

Mr Speaker, Sir, I will congratulate once again the Minister of Finance for what is universally considered as a responsible budget. The main lines are what? Hoping for the best, preparing for the worst; a budget for growth; equal opportunities for all in business; fostering an inclusive society.

Mr Speaker, Sir, I was surprised that the previous orator on the other side thought, if anything, this budget was for an exclusive society. How far, how wrong can you get? It is difficult for me to say. Living in a globalised world with its share of uncertainties and rapid

changes, this Budget brings us opportunities and challenges. We are moving ahead with steady steps to fiscal consolidation, which sets a basis for strong growth for the greater good. This is the key words, Mr Speaker, Sir: 'for the greater good'. Everything that has been done is for the greater good, and steers the country through this global crisis. This Budget tries to improve social protection and material prosperity, and promote sound and responsible fiscal stewardship.

Mauritius is facing ever more difficult conditions, especially in our main export markets, and given the previous sluggish evolution of private investment, this Budget brings positive signals to the business community, mainly on the fiscal side, thereby contributing to enhance investment, a key determinant of economic growth over time.

This Budget proposes bold and multiple measures aimed at improving the resilience of the economy to exogenous shocks, while strengthening the internal capacity and competitiveness for still higher growth, and at the same - and we have to bear this in mind - taking care of those who need most our help.

Mr Speaker, Sir, this Budget is certainly innovative in many ways and, contrary to previous, has a timetable for the implementation of the measures announced in this budget. As a responsible government, driven by a solid team spirit, we shall ensure that this budget is translated into concrete actions for the greater good of our population. The previous orator, Mr Speaker, Sir, may have no fears that this will be done. The success of our undertakings will depend on the degree of progress made in our overall project implementation capacity, and a Budget implementation team that is being set up accordingly to ensure timely implementation of projects.

Mr Speaker, Sir, *en passant*, I welcome the initiatives to improve the efficiency of public sector services, for example, improving the functioning and governance of public sector organisations. This is a very worthwhile initiative, and I hope we will all work towards this aim. We tried, and we will try still harder.

Mr Speaker, Sir, my first ministerial assignment was human resource development, and I particularly appreciate that this Budget improves a micro-economic foundation of the Mauritian economy, through a systematic policy aimed at improving conditions in the labour market and to reduce unemployment through sponsored pre-job training to deal with youth unemployment, as well as the provision of training courses to correct the mismatch between our labour market requirements and our labour force.

Mr Speaker, Sir, to end on this note, I would like to remind the House about the PNQ of last Friday. I get the impression that the previous orator has not heard, has not listened or has not followed what has been said during that PNQ. I would like to stress the fact that the SMEs have had a major share in the Budget, and we have had the opportunity, during the reply to the PNQ of the hon. Leader of the Opposition last Friday, to appreciate the details of how this Rs3 billion will put at their disposal to enhance their competitiveness and growth. If my memory serves me right, Mr Speaker, Sir, this is the first time that such extensive measures have been taken to support the SMEs.

I realise, Mr Speaker, Sir, that there are challenges. The challenges are for all of us: government, a responsible opposition, people out there for whom we are working, for whom we have set up this roadmap to better times. I hope that we get the positive input from all quarters.

Mr Speaker, Sir, I will now go to my Ministry, and start with water resources and water supply. Mr Speaker, Sir, in reply to a parliamentary question on 08 November and the PNQ on 16 November 2011, I informed the House of the water situation. To recall, the water sector is under pressure due to changing rainfall patterns affecting mainly the Mare aux Vacoas reservoir. Here, I have to introduce a note of caution. We are facing climate change, and climate change is going to be more and more difficult to deal with unless we prepare ourselves. Incidentally, whilst today with rainfall at the Mare aux Vacoas catchment area has been deficient with only 2,309 mm of rainfall - the lowest ever recorded in the last 13 years - it is good to remind the House that during 2004 and 2007 with adequate rainfall, in two years the Mare aux Vacoas Reservoir was overflowing during certain times of the year. This is the challenge of climate change: unpredictability. And, Mr Speaker, Sir, we have to make provision for the unpredictable.

Coupled with the rainfall pattern, the overall demand for potable water has been increasing by an average of 2.5% yearly over the last eight years and the *per capita* consumption is 167 litres compared to 140 litres in developed countries.

Mr Speaker, Sir, during PQs and PNQs that were put to me, I have already given extensive details on matters relating to the water sector. However, being given the serious situation now prevailing, more particularly of the continuing drought, it is my duty to enlighten the House of the urgent measures that my Ministry has taken to address the situation. I am not going, Mr Speaker, Sir, to give again the extensive details which I gave in reply to a PQ, but I would like to remind the House that extensive works have been carried out as already detailed,

including a 35,000 to 40,000 additional mm<sup>3</sup>, depending on the water level in the underground and rivers. Mr Speaker, Sir, the diversion dyke on Rivière du Poste to transfer 10 mm<sup>3</sup> of water yearly to the Mare aux Vacoas system will be completed in 2012. In as far as the pipe replacement is concerned, work is continuing. And in my reply to the PNQ, I stated that during the last five years a total of about Rs1.2 billion has been spent.

Mr Speaker, Sir, *en passant*, again, though the level of Mare aux Vacoas is very low, other reservoirs are at normal or slightly above average. In many areas, especially in the north and east, water supply at present is adequate for this time of the year. Historically, Mr Speaker, Sir, the water supply system in Mauritius is divided into six district zones and it is not interconnected, except for Nicolière Reservoir supplying the north of Port Louis. Interconnection issues are being addressed.

Mr Speaker, Sir, over the next three years an investment of Rs10 billion will be made in the water sector for the construction of two major dams, the treatment plant and downstream network. These figures in the Budget speak for themselves: Rs10 billion! Construction of Bagatelle Dam has started and will be completed in 2014 and this will improve the water supply, not only in Port Louis but also in the Lower Plaines Wilhems and will relieve pressure from the Mare aux Vacoas. For the proposed Rivière des Anguilles Dam, a consultant will shortly be appointed for the preparation of bid documents for the construction of the dam. The rehabilitation of La Ferme Dam and increase in storage capacity accompanied by the construction of the treatment plant to supply the western coast will be considered in the medium term.

Mr Speaker, Sir, I'll now come to this vital issue of water rights. The issue of water rights is of primordial importance in planning our water sector. We have to say that in Mauritius all water is public property. All water, I repeat, is public property. A water right is a right to use water not a right to own water.

*(Interruptions)*

There are about 360 holders ....

*(Interruptions)*

**Mr Speaker:** Order! Order, please!

**The Deputy Prime Minister:** Mr Speaker, Sir, I repeat, a water right is a right to use water and not a right to own water. There are about 360 holders of water rights in Mauritius. The

legislation governing water rights dates back to 1863. In view of the difficulty of obtaining data from water right holders and the absence of a water rights database, regulations under the Central Water Authority Act are being made this week for all water rights holders to supply the information so as to carry out a full census. The census will enable us to undertake the integrated management of water resources. A consultant is already working to review legislation governing water rights. However, I must inform the House that from the legal angle, this is a very complex matter which will necessitate some very important decisions from all sides of the House.

Mr Speaker, Sir, for the water supply programme, a multipronged approach has been done. To widen power sources of water supply, we are encouraging desalination and desalination costs are being brought down. Three hotels are operating desalination plants and others have expressed interest. All new hotels and IRS along the coast will also have an obligation to set up desalination plants and interest has been expressed in other desalination projects and the exploitation of submarine sources.

Mr Speaker, Sir, I will now clarify some issues that have been raised regarding the European Investment Bank and the European investment loan. In December 2002, a loan agreement was signed with EIB, which included the financing of a number of a Non-Revenue Water Project consisting, amongst others, of the following:

- Purchase of leak detection and other equipment
- Replacement of old pipes

The two main conditions of the loan are –

- Average water tariff be raised to ensure that the CWA covers its operating/maintenance, expenditure and financial costs.
- Government commitment to maintain water tariff and cost recovery level at real terms.

These were the two conditions. After the loan signature, it was agreed that the CWA would recruit a consultant to carry out a full investigation and study of the number of the non-revenue water level in Mauritius. Severn Trent International was recruited in 2004 and it submitted a Baseline Study Report in 2006 together with an Action Plan.

The European Investment Bank requested that an International Project Director be recruited to undertake the implementation of the NRW project. Following an international call for application, a French Expert, approved by the EIB, was recruited in May 2007 on a

Performance Based Assignment. However, in absence of results and of his unsatisfactory performance, the services of the French Expert were terminated in June 2009. Subsequently, EIB suspended the loan agreement pending a tariff increase to ensure financial sustainability of CWA, and for CWA to have the capacity to repay its loans.

In 2010, EIB appointed an expert to review water and waste water tariffs. It recommended a general tariff increase of 30% and further yearly increases base on inflation. For the information of the House, the loan has been kept on hold and never cancelled and there is no need for a new agreement.

Once the tariff increase has been agreed and is being implemented as from January 2012, EIB resumed loan disbursement. A high level EIB mission will be in Mauritius in December this year for further discussions and approval for financing new project components.

Mr Speaker Sir, I now turn to the issue of the increase in water tariff. Mr Speaker, Sir, as regards the increase in water tariff, on 18 October 2010, the Ministry of Finance convened a meeting for the following day for a view to restore the financial sustainability of public enterprises.

At the meeting of the October 2010, I was present together with the Minister of Finance and the Minister responsible for Transport, hon. Baichoo, as well as public officers from these Ministries and Departments. The meeting focused on five public enterprises, namely CEB, CWA, NTA, Irrigation Authority, Wastewater Management Authority. I am not going to speak about the other public enterprises, but will focus on the CWA.

Mr Speaker, Sir, I was really taken aback when hon. Pravind Jugnauth stood up in the House on 16 November 2011, on the occasion of the PNQ of the Leader of the Opposition, to ask that the 35% tariff increase already decided upon, be postponed until there is an improvement of the water situation.

Mr Speaker, Sir, at that Ministry of Finance meeting of 19 October 2010, a decision was taken that in order to ascertain the financial sustainability of the CWA, the water tariff be increased as follows -

- October 2010 - 30%;
- July 2011 - 20%;
- July 2012 - 20%, and

- July 2013 - 20%.

An overall increase of 90% in two and a half years.

Mr Speaker, Sir, the then Minister of Finance, hon. Pravind Jugnauth, knew very well on 19 October 2010 that there were problems in the water sector mainly the drought and the leakages in our distribution network.

At that time, there was no question on the improvement of the water situation before the application of the tariff increase, which was taken on that specific day. Mr Speaker, Sir, I consider it most unfair for the hon. Member to have a stand when he is in Government and a different stand when he is in the Opposition.

I would like to underline that when the decision to increase the tariff was taken on 19 October 2010, the focus was on the financial sustainability of the CWA. The Ministry of Finance, in fact, emphasised, I quote –

“In the absence of action on tariff or other measures to improve financial sustainability of the CWA, EIB will not disburse loan contracted to deal with Non-Revenue Water.”

Now, Mr Speaker, Sir, that I have explained the whole background as regard to the increase in the water tariff of 35% as from January 2012, I should also like to draw the attention of the House that the 35% increase will not – and I repeat will not - affect 97,779 consumers who consume up to 10 m<sup>3</sup> of water monthly.

Mr Speaker, Sir, the major problem of the water sector is that the water distribution system dates back 100 years or more. All successive Governments since 1980s have addressed the problem. Experts after experts came; gave their reports, but the problem has not, up to now, been effectively resolved. All those hon. Members of the House who have formed part of the Government since the 1980s know this very well. I take this opportunity to welcome my friend, hon. Ganoo, who is back amongst us.

*(Interruptions)*

Mr Speaker, Sir, we are now adopting a holistic approach to resolve the water sector problem. We have started a major Water Reform Programme with the support of the Singapore Public Utilities Board, following the visit of the hon. Prime Minister to Singapore. The study started in July and the report will be submitted in January 2012. I have already submitted to the House a previous question; what the Singaporean team will submit.

Mr Speaker, Sir, we have also approached the Singaporean experts to advise on immediate actions to improve water supply network efficiency in the Mare aux Vacoas system targeting improvement in leakage levels and automatic operations and management of the system. So, we are giving priority to the Mare aux Vacoas region.

Mr Speaker Sir, water is a matter of national importance and we need to have recourse to massive investment with modern technology, they both go together modern technology with whatever investment. If we don't improve and have modern technology, we will not be able to achieve our aim. Our aim is to ensure water supply throughout the island to the satisfaction of one and all. I am optimistic that over time we will be able to achieve our objectives.

Mr Speaker, Sir, I'll now turn to the energy sector. Energy is about renewable energy and it is also about *maîtrise de la demande* on both sides. Both sides are important. I am glad to note from my personal, very cautious, sometimes pessimistic approach to renewable energy. Last year, I announced to the House that I was confident that we will be able to achieve our objective in renewable energy. It had started slowly, of course, because it is a new technology and it is costly, but the technology is now becoming available and the costs are coming down though slowly and we wish the cost to come down more.

What is interesting is that new industries are coming up in the renewable energy sector. Photovoltaic units are being set up everywhere and we have now all sorts of enterprises in the photovoltaic sector. I am confident that over the years, we will be able to extend quite substantially our contribution of renewable energy to our energy mix. In short, we have already mentioned it -

- the Nicolière Feeder Canal, the hydro plant 350kW is operational;
- landfill gas to energy plant at Mare Chicose already operational;
- another small hydro plant at Midlands will be completed next year;
- two wind farms projects at Curepipe Point and Plaines des Roches of a 20 to 30 MW and 18 MW respectively, due to start operation by early 2013, and
- 10 MW Photovoltaic grid connected plant bids need to be issued shortly.

In this Budget, Mr Speaker, Sir, at the beginning, the response was slow, but the enthusiastic response to Small Scale Distributed Generation Projects, the 2 MW project has been oversubscribed. I am grateful to the hon. Minister of Finance for increasing by a further megawatt this time to include Rodrigues as well and we will be able to implement this Small Scale Distribution Generation Project.

Mr Speaker, Sir, a few words for the enlightenment of the House, because sometimes it is not very obvious how things are done and why they are done that way. The Scale Distributed Generation System is a true example of democratisation of power generation. The future is in small independent power production.

For the information of the House, electricity is transmitted at 66 Kilo Volts and then stepped down to 22 Kilo Volts for distribution and reduced further to 415 for low voltage supply.

The CEB Small Scale Distributed Generation Project aims at connecting private, residential and commercial customers - this is operated now - which are being fed from the CEB's low voltage system.

The grid code for renewable energy systems is up to a maximum of 50 kW and each installation takes into account the administrative, commercial and technical aspects.

The tariff incentives provided were carefully worked out to achieve sustainability and the financial support through the electricity purchase price over 15 years rather than fiscal or grant subsidy towards the purchase and installation of the system. There was an option either finance option or give a sort of incentive through the electricity purchase price. Schemes based on the grant system have failed in many countries due to poor quality of equipment which became unoperational after a short period and, therefore, not sustainable. Why limit ourselves to 50 KW? The technical aspect, which limits the maximum size to 50 KW safeguards the system reliability and quality of supply. Higher capacity installation might cause flicker (*micro-coupure*) and voltage drops below the norms.

What about 50 KW, Mr Speaker, Sir, which is called the Medium Scale Distributed Generation System? The CEB is actively working on the introduction of the MSDG system which, for technical reason, will have to be accommodated on the 22 Kilo Volts network. There has been much interest in MSDG for customers to generate electricity for their own consumption and to export surplus to the CEB grid and the MCB, the Municipality of Port Louis, amongst others, are taking initiative to install Medium Scale Distributed Generation.

Mr Speaker, Sir, the next phase of generation capacity expansion is being implemented with the setting up of a new 100 MW coal plant at La Mecque, Médine. The site will also cater for future expansion. Land is being acquired and the Request for Proposal for a clean 100 MW plant will be launched before February 2012. Technology for coal plants have evolved from spreader stoker to pulverized and now it is “supercritical” units. The latter referred to as clean coal technology with the difference that coal is burned more efficiently at higher temperature and pressure and releasing less carbon dioxide per unit of energy produced. Mr Speaker, Sir, as regards the CT Power, I will not make any further comments as the latter is still before the EIA Tribunal.

We now come, Mr Speaker, Sir, to the future and the Leader of the Opposition is nothing, if he is not futuristic. He looks into the future and what he sees and what we see are the same thing, but interpreted differently.

*(Interruptions)*

Interpreted differently! We are moving ahead, Mr Speaker, Sir; we are not just looking at clean coal, coal and so on. We are looking at other possibilities, we are looking at the geothermal possibility, a prefeasibility study on geothermal potential will start in January 2012 to identify potential site, if any, to proceed with geological survey.

Regarding the LNG project, I agree with the Leader of the Opposition that we should have a full scale prefeasibility study. But what we did, Mr Speaker, Sir, was simple. We asked for an Expression of Interest, and that was all. I would like to quote that the consultant who carried out the prefeasibility study for 100 MW open technology –

“Detailed studies would be required to bring LNG to Mauritius.”

We know this. Detailed studies will have to be carried out to bring LNG to Mauritius for power generation as a long term and reliable basis at affordable prices and this is just what we are doing. We are building the future and we have to *prévoir*, the key word.

With the assistance of EU, my Ministry will carry out a comprehensive feasibility study for the implementation of the project, which I insist again, is a long term cleaner option with all the difficulties that it produces, but we have to look at it.

Mr Speaker, Sir, now we come to the Ocean Thermal Energy Conversion. I almost took my handkerchief out to dry my eyes, the Leader of the Opposition was so convincing. He said that he had spoken to the hon. Prime Minister recently about OTEC. But let me remind the

House, I started OTEC in 1999, following a visit of the MRC in India. They went to Chennai and they came back and reported to me. It is a technique of producing electricity from the difference of temperature between surface and depth water in the sea.

As I have said, in 2000 we started when I was Minister of Public Utilities. A feasibility study on the potential of ocean energy for both Mauritius and Rodrigues with emphasis on OTEC was commissioned in 2000 when I was Minister. Two experts from the National Institute for Ocean technology, India visited Mauritius in May 2000 and I met them to identify potential site for OTEC plants and Albion was considered as the preferred site.

It was also proposed that Japanese Authorities be approached for eventual financing of the project. In 2004, the then Minister of Energy made a statement to the House on a 3 MW demonstration OTEC plant project by the Saga University of Japan which was to be funded by the Government of Japan. Unfortunately, the request for funding of the feasibility study was not favorably considered by the Japanese Authorities due to insufficient development at that time of the OTEC technology. I am informed, Mr Speaker, Sir, that despite enthusiastic projections and promising prototypes with India and Japan showing much interest, no OTEC plant is yet in commercial exploitation.

During my last visit to India last year, I again raised the issue of OTEC and was informed that it is still at the planning stage. Even in Reunion Island, I understand that a study for a pilot project is being undertaken with 2015 as a target for a demonstration plant. However, we are following all developments in the field with great interest.

Regarding the LBOI project, Mr Speaker, Sir, as the House was made aware, an Expression of Interest for equity and strategic participation for the implementation of the project was launched in July 2009. The Thompson Chalon and Associates was selected but, unfortunately, following the involvement of one member of his team in an alleged forgery, a new Expression of Interest will be launched in the coming weeks.

Contacts have been established with Reunion Island which is implementing a similar project on using cold sea water for air conditioning in Sainte Marie. The difference is that they are using it for air conditioning in towns; we had planned to air conditioning for database which is quite a different project. Mr Speaker, Sir, energy efficiency seems to address the demand side of energy. In keeping with our national efforts to make the *Maurice Ile Durable* a tangible reality, energy wise we have laid a cornerstone through the enactment of the Energy Efficiency

Act in March 2011. Sections 1 to 18 of the Energy Efficiency Act have now been proclaimed. The Energy Efficiency Office, which has recently been constituted, is now responsible for the integrated management of energy efficiency to optimise, not just reduce, the use of energy in all sectors, from households to transport through industry, buildings and commercial services.

It shall open up ‘green’ collar employment opportunities and continue the ‘greening’ of our economy thereby moving towards the *Maurice Ile Durable* concept.

Mr Speaker, Sir, capacity-building in this field has already started and we hope that with time - because results are not going to be obvious quickly, it will take time - we will see the importance of demand side of management and, for sure, the energy efficiency will not only help to flatten CEBs peak demand, but also to postpone investment in new generation capacities like the demand side. Mr Speaker, Sir, one of the easiest ways to flatten the peak is the use of air conditioning, especially in summer, where the peak goes during the mid morning rather than the evening. One of the easiest ways would be to see to it that equipment that is imported is efficient and that it is being used effectively.

Mr Speaker, Sir, I will end on the sewerage project, but I will not dwell too much on the details. The Plaines Wilhems Sewerage Project started in 2005 and works in Rose Hill to Mont Roches region and Quatre Bornes and Belle Rose will be completed in 2012 and those in Palma, Western Quatre Bornes and Stanley in 2014. So, by 2012 and by 2014, the Plaines Wilhems Sewerage Project will be over.

New projects to be implemented are at feasibility or design stages -

- (i) Baie du Tombeau Phase III covers regions of Terre Rouge, Riche Terre, Le Hochet and aims at connecting 6,000 households. It will include the construction of a new treatment plant at Baie du Tombeau to shift from present, very unsatisfactory preliminary treatment to secondary treatment.
- (ii) Grand’ Baie Phase 1B covering regions of Pereybère, Pointe aux Cannonniers, Mon Choisy and Trou aux Biches aims at connecting 5,000 households.
- (iii) Grand’ Baie Phase 2 to be funded by AFD covers Triolet, Pte aux Piments, Morc. St. André, Plaines des Papayes, Trou aux Biches and aims at connecting 7,500 house connections. It includes seven pumping stations

and the construction of a new wastewater treatment plant with capacity of 12,500 m<sup>3</sup> daily.

Other new projects are -

- (i) The West Coast sewerage project covering Bambous, Flic en Flac, Albion, Tamarin and Black River.
- (ii) Small projects at Bain des Dames, Vallée des Prêtres/Tranquebar and Camp Caval.
- (iii) Sewerage rehabilitation projects in six - especially chosen – low-cost housing estates which have sewerage problems.
- (iv) Pailles/Guibies project to be implemented on a phase-basis, and
- (v) Rehabilitation of Port Louis sewerage and water networks.

Hon. Bhagwan is not here. We will try to accommodate within the next budget the house connection works at Verger Bissambar which has been requested by the hon. Member of the Opposition on several occasions.

Mr Speaker, Sir, we are taking remedial measures to address implementation problems. Mr Speaker, Sir, I am well aware of the difficulties arising out of the implementation of sewerage projects. The projects presently in the implementation stage were designed some ten years ago and it was the practice, at that time, to include the survey of the site by the contractor, rather than by the consultant. This has resulted in unexpected features of the site being revealed after the award of the contract, resulting in delays and additional costs.

Mr Speaker, Sir, to avoid similar problems in the future, the following measures have been taken -

- (i) We have imposed the condition that for all new projects a full topographical study and house connection survey during consultancy should be carried out to define the scope of works as accurately as possible before the award of the contract. This process is essential to ensure a better planning and avoid cost overruns.
- (ii) Secondly, we are ensuring coordination with other agencies and the problem of way leave is being addressed before the project starts.

- (iii) Also, hon. Members of the House will be pleased to learn that we are going for full road reinstatement with asphaltic concrete instead of DBST and this will be carried out on all main roads to mitigate inconvenience to the public.
- (iv) Also, the Public Relations Unit of WMA is conducting regular communication with inhabitants and the representatives of the Municipal Council and Members of this House. I would like here to mention the good example set by hon. Ms Nita Deepalsing in Quatre Bornes/Belle Rose in addressing together with other stakeholders the issues related to traffic diversions, road closures and excavation works.

I would also like to acknowledge the help that I have received from my colleagues in Beau Basin/Rose Hill, especially regarding the wastewater works.

Mr Speaker, Sir, there is no point in having all sorts of projects if we don't have house connections. The cost of house connections in sewered areas - I am talking of sewered areas already sewered - has been increasing over the years.

My Ministry and WMA are presently reviewing the policy to ensure that a greater number of connections are carried out within the allocated budget.

Mr Speaker, Sir, the National Sewerage Programme was elaborated in 1994 and will be completed in 2014 with 71,000 house connections, representing about 30% of the population. Under a project funded by the AFDB, a Master Plan for wastewater up to year 2033 has been prepared by Consultants identifying new projects in 23 areas, including populated areas such as Vacoas, Rose Belle, Flacq, Mahebourg, Goodlands amongst others. Their recommendations are presently being examined.

The effluent from St Martin Treatment Plant which is treated at tertiary level is being used for irrigation in the west. The use of treated effluents will have to be addressed comprehensively and is one of the issues being considered by the Singapore Experts.

Mr Speaker, Sir, I will end having surveyed the wastewater sector, water sector and the energy sector by, sort of, concluding and appealing to the House, you know as I say, in everything there are plus and minus. We look at the positive side and see how we can move things forward. We welcome criticisms on this side of the House but criticisms based on fair comments, not just what you heard in the press or somewhere else, and I make an appeal to hon. Members - you see even now, with all these difficult water situation, things in Plaines Wilhems

area, but in Port Louis I have been thanked by relatives of the hon. Member on the other side for the management of the water supply in Port Louis and elsewhere, in the North, East, the water supply is reasonable. So, let's make an appeal and see what can be done and what will be done and I would say to the House, let's face our responsibilities. We have taken a commitment with the electorate; how we discharge this commitment, I will leave it to individuals and to parties to sort it out but, from my point of view, I have been and I remain what was called a *transfuge* at the time in 1997. I have no regrets, not because I am Deputy Prime Minister, it's because my electorate asked me to stay and here I stand.

Thank you.

**Mr Speaker:** I will suspend and we will resume at half past two!

*At 12.59 p.m. the sitting was suspended.*

*On resuming at 2.35 p.m with Mr Speaker in the Chair.*

**Mr P. Jugnauth (First Member for Quartier Militaire & Moka):** Mr Speaker, Sir, I have the honour and privilege to address this Assembly on the occasion of the 2011 and 2012 Budget, more so because Budget time is always a very important event for the country and for the House also. Last year, on 19 November, I had addressed this House as Minister of Finance and it was my responsibility to come up with the first Budget of 'L'Alliance de l'Avenir' to shape up the destiny of our country for the next 15 years.

Mr Speaker, Sir, today, we are on this side of the House. 'L'Alliance de l'Avenir' is no more and this has brought about two fundamental changes in the political and the economical landscape of Mauritius. First, we have a very frail Government which owes its majority to the fact that two Members of the National Assembly have crossed the floor to become Ministers. Second, the philosophies and the priorities and the promises of the MSM which inspired, in fact, last year's Budget are no more. There has been a complete U-turn and the equilibrium between economic growth and the needs for social justice are no more. Why are we on this side of the House, Mr Speaker, Sir? It is basically a clash - I would call it a clash – between two different political cultures. On the one hand, we had the guiding principles of the founder of the MSM, Sir Anerood Jugnauth: hard work and discipline, loyalty, sincerity of purpose and always trying to put the nation first. On the other hand, for 15 months we were, in fact, confronted – whether I can call it a new culture which was, in fact, completely alien to us. Indecisiveness, *accapareur*, lack of team spirit and solidarity, putting *petits copains* and *petites copines*, also first and worst

of all, Mr Speaker, Sir, using, in fact, political power to corrupt people and using institutions to oppress all those who dare oppose the regime or to challenge them. That is why, basically, we left 'L'Alliance de l'Avenir'. Let me enlighten the House on what happened during those 15 months and I won't go into the details.

M. le président, j'ai été choqué par la lenteur chronique et je dois dire, à tous les niveaux, et l'incapacité d'un chef de gouvernement à prendre des décisions. Par exemple, sur la question de *law and order*, les conséquences néfastes d'une force policière déjà démotivée à cause - je ne dirais pas des promotions, mais l'exercice de promotion qui a été retardé à cause des nominations...

**Mr Speaker:** No! Can the hon. Member enlighten the House which is the institution which promotes the Police Force and who appoints or whatever?

**Mr Jugnauth:** I can say that when I had discussions with the hon. Prime Minister.

**Mr Speaker:** The hon. Member cannot say that in the House! The responsibility for recruitment and promotion rests with the Disciplined Forces Service Commission. If he wants to criticise the Disciplined Forces, he has to come with a substantive motion.

**Mr Bérenger:** If I may, on this point of order which you are taking. We were informed by the hon. Prime Minister that he was himself informed by the Commissioner of Police that all sorts of inquiries, of research were being carried out. This is not blaming the Disciplined Forces Service Commission, but he told us why things were not happening.

**Mr Speaker:** Yes, but then he obtains information from the Commissioner of Police who liaised with the Disciplined Forces. He only gets the information and passed it onto the House. He cannot be held personally responsible. If there has been no promotion or delay in promotion, etc., it is for the Police Service Commission or Disciplined Forces Service Commission to answer.

**Mr Jugnauth:** But, at any rate, Mr Speaker, Sir, okay, the people will appreciate and will draw their own conclusions on this state of affairs.

With regard to the effect that a number of decisions that were not taken had on the situation of law and order, that is why I say, Mr Speaker, Sir, that *cela ne nous étonne pas que la sécurité est devenue une des préoccupations majeures de la population*. I will bow to your ruling, and I will not dwell upon that.

En ce qui concerne les corps paraétatiques, combien sont-ils qui offrent à la population un service déficient, parce qu'il n'y avait pas de nomination à la tête de l'organisme ? Les exemples ne manquent pas; Air Mauritius, Mauritius Duty Free Paradise, CEB, CWA, Tourism Authority, Wastewater Authority, SICOM, Mauritius Housing Corporation, the Financial services Commission, and I can go on and on. Let me say a few words about that, because we knew that another responsibility was being given to the former CEO of the Financial Services Commission, who is now presently serving us in New York. In fact, I had proposed that this vacancy be filled up by a competent, experienced person in the field. Nothing was done for 14 months, and it is such an important Commission because of the pressure that is being exerted on the Double Taxation Avoidance Treaty.

Troisièmement M. le président, une diplomatie paralysée, parce que nous n'avons pas nommé nos ambassadeurs dans des postes clés dans des capitales aussi importantes et stratégiques que New Delhi. Et là aussi, nous avions un membre de la Chambre qui a servi comme ancien haut commissaire qui, par la suite, est devenu candidat. Vu la relation spéciale - et comme on dit ombilical - qu'on a avec *Mother India*, 14 mois ! Je pourrais citer d'autres exemples, où j'ai eu personnellement des difficultés. Quand on parle du budget, j'ai été confronté personnellement à une campagne machiavélique, et j'ai eu le sentiment, M. le président, que certains de mes collègues - je ne dirai pas tous - n'ont pas joué le jeu, que ce soit au niveau de ma circonscription, que ce soit au niveau d'un certain nombre de dossiers, et même dans la Chambre. M. le président, vous avez été témoin des attaques injustifiées qui ont été faites à mon encontre. On a voté un budget l'année dernière. J'ai lu les discours - parce que j'ai pris la peine de voir et je ne vais pas répondre à tous les membres qui m'ont critiqué maintenant - mais combien de *praise*, combien de support et de félicitations que j'ai eus !

On a voté le budget après les débats. On a voté le *Finance Bill* et puis il fallait venir avec les non *financial measures*. Donc, j'avais proposé l'*Economic and Financial Measures (Miscellaneous) Provisions Bill*. Je crois que - je n'ai pas été vérifié - dans le annales des finances, c'est la première fois que des mesures budgétaires sont votées par la Chambre presque sept mois après la présentation du budget.

J'ai été vérifié ; le *first reading* a été fait le 5 juillet 2011. Sept mois ! Les difficultés que j'ai eues à pouvoir venir avec ce projet de loi ! Mes collègues ministres de l'autre côté en savent beaucoup, et je ne vais pas élaborer là-dessus. Il y a même un ministre qui avait refusé de

discuter certaines mesures budgétaires. Je peux comprendre qu'on peut, peut-être, revoir certaines mesures. Mais je peux vous dire que j'avais demandé de me donner les raisons, les arguments nécessaires pour qu'on puisse en discuter, et même ça on n'a pas pu le faire.

Je ne vais pas aller dans les détails. Combien de fois j'ai exprimé cette situation au Premier ministre ! Rien n'a été fait. Comme je vous l'ai dit, nous avons été l'objet d'attaques, certains portant même à mon intégrité personnelle, d'autres contre mes officiers, ici même, dans la Chambre, à travers les articles de presse écrite, dites par certains membres de la Chambre contre mon *Financial Secretary* ; je me souviens très bien. Le problème était moi, et on a attaqué aussi le *Financial Secretary*. Aujourd'hui, on n'attaque pas le *Financial Secretary*. J'espère que non ! Même le ministre des finances le félicite. Il faut être honnête dans la vie. Même l'actuel ministre des finances était, je dirais, insatisfait, pour ne pas dire formait partie de la bande. Mais je suis content qu'il ait félicité le *Financial Secretary* dans le budget. Je dirai aussi que, pour certains, pour justifier leur incompétence et leur incapacité à gérer les problèmes de leur ministère, la bonne raison, la raison la plus simple, la plus facile c'était de déclarer que la source du problème était le ministre des finances. Il y a même un manque de financement pour certains programmes où on a dépensé moins que ce qui a été alloué. On parle toujours du manque de financement et que le problème est le ministre des finances.

Mr Speaker, Sir, how can I put it to you? We were, in fact, in power, and yet we were powerless. Mr Speaker, Sir, as has been the case with MSM throughout history, we came with our sincerity, our loyalty, our commitment and competence to work in the best interest of our country and our people. We could never do it, because we were never considered as a partner. There was no team spirit in the alliance. I must say I am amongst the few, if not probably the only one who was privileged enough to be able to meet the hon. Prime Minister regularly; that I must confess. He was always ready and willing to meet, and I raised all these issues that I am stating to the House today with the hon. Prime Minister regularly. In fact, at one point in time, I was myself embarrassed to be repeating the same thing again, but nothing happened. Then, we came to put also order in the house, not the National Assembly, but the other house. Do you know what mess we uncovered? Again, I will not dwell on all these scandals and the issues. At the STC, I remember very well and I thought we had the support of the Prime Minister, whereby a number of things had been uncovered and it is the way I work, Mr Speaker, Sir, the style that I have. Whenever there is something, I always speak to the Prime Minister. The Prime Minister,

when looking at certain facts, went wild and said, no, we must put order there. So, I took it that probably he might not have been aware and the matter was being raised at Government level and the Prime Minister said: Let's carry out an inquiry into this issue and see, and if there are people who are to be blamed, we'll take them to task. We did that. You have the insight forensic report, then nothing was done. For the hedging scandal, same thing! Betamax, same thing! Contamination of petroleum products where the country lost Rs113 m., same thing!

Let's come to the LPG project! Probably, we will have time to talk about it later on, this is another scandal. A juicy contract was already approved by the former Government to be given to a company and when we found out about it, again I went to see the Prime Minister. We managed to stop that, but I don't know what the situation is now, whether Government has taken any decision to go ahead with allocating this contract to supply LPG. The consequence of that would have been that the consumers would have to pay much more. The NDFP, at the GRA, I would say the wastage of money that was going to be carried out to the central monetary system, casinos *et j'en passe, M. le président.*

As I'll say it again, when we were bold enough to try to clean up this mess, do you know what happened? In the case of STC, I will mention one. All the scandals at the Ministry of Commerce, the former Minister, my friend hon. Soodhun, started to be faced with a number of problems.

First, he was taken to task for telling the truth in replying to PQs in this House.

Second, he was so harassed that he was, in fact, on the verge of submitting his resignation as Minister.

Third, he, in fact, ended up by requesting the Prime Minister to remove this portfolio of Commerce because he could not assume his responsibility as Minister with the dedication and the commitment he wanted, and the rest is history.

In my case, Mr Speaker, Sir, as former Minister of Finance, let me give you one blatant example, that of the Mauritius Duty Free Paradise where, first of all, a number of irregularities were uncovered. I was myself really surprised that I had to push for decisions to be taken. When the Chairperson, the CEO, top management – in fact, the institution a été *décapitée par le scandale.* Then I wanted to nominate another Chairperson, recruit another CEO, fill up other top management posts because it was such an important institution making turnover of billions of rupees. For fourteen months, can you imagine we could not do that! It remained *comme un*

*bateau sans gouvernail.* Worse still, Mr Speaker, Sir, one officer was taken to task, had been found guilty of forgery under five counts. A survey was carried out for goods that were being sold at the duty free shop and do you know what the survey revealed, that goods were being kept in offices - bottles of whiskey, champagne, perfumes, chocolates, jewellery also. That person, in fact, was dismissed by the institution.

*Très sincèrement, je demande au gouvernement quel est le signal qu'on est en train d'envoyer au pays et à la population, lorsque quelqu'un qui a été trouvé coupable, a été démis de ses fonctions, et que maintenant le Conseil des Ministres, le gouvernement le remet à sa place,* in the same institution, Mr Speaker, Sir. What are we telling people of this country? That people who commit illegalities, crimes, some are more equal than others? I won't go into the Med Point issue; it has been dealt by some Members on this side and on the MMM side also. There is a lot to say about Med Point. Although you have given a warning yourself, Mr Speaker, Sir, saying that we can talk about the Med Point, except for that part where there is an application for an attachment order, but I won't go into the details of the Med Point issue. There are so many things that are unfair, unjust. I can say so more as a barrister - the evidence that is available and yet they are saying that there are institutions that are independent....

**Mr Speaker:** No! Be careful! On this point I will have to draw the attention of the hon. Member that an inquiry is being carried out by the ICAC. If the hon. Member tends to criticise the ICAC, he is not allowed to do so except upon a substantive motion.

**Mr Jugnauth:** Mr Speaker, Sir, I am criticising the fact that there are evidence available with regard to some personalities, but that nothing is being done. Nothing is being done! The truth is unfurling today and the more we come nearer to the whole truth, we realise the sombre and machiavelic strategy that was put forward, in fact, to destroy the MSM.

We never thought, Mr Speaker, Sir, that the Labour Party would use the MSM to come back to power and, after having achieved this, it would set up this machiavelic strategy to tarnish the image of our party, to paint us black and get rid of us out of the ruling Alliance. In fact when I look at the events that have unveiled this strategy, we have been proved right today. Unfortunately, I must say. But more flagrant was, in fact, when we resigned, Mr Speaker, Sir. Hon. Ms Nita Deerpalsing organised a party to celebrate the split. Hon. Khamajeet stated that the departure of the MSM had already been planned since the very beginning. Here, in this very House, the hon. Attorney General stated that the split was a blessing in disguise and a manna

from heaven, *comme-ci le départ du MSM du gouvernement était une licence pour piller et gaspiller pour perpétuer le règne du Parti Travailiste. Et je peux comprendre, désormais, le rempart n'est plus là et pour le président du Parti Travailiste, maintenant je suis sûr qu'il peut être à l'aise - parce qu'il n'était pas à l'aise avec nous, il peut être plus à l'aise pour mieux jouir du pouvoir.*

*(Interruptions)*

**Mr Speaker:** No, this is an imputation of motive on an hon. Member of the House. Would the hon. Member please withdraw that?

**Mr Jugnauth:** What I am saying is...

*(Interruptions)*

**Mr Speaker:** No, the hon. Member has to withdraw that.

**Mr Jugnauth:** I am withdrawing the word '*jouir*'. What I wanted to say is to use power, use so that it is, you know, plus *qu'usé*. And only yesterday, hon. Shakeel Mohamed had said that le MSM était un boulet au pied du gouvernement.

Voilà comment nous en sommes arrivés là. C'est triste, M. le président. C'est une tragédie pour le pays. Aujourd'hui, le pays a besoin d'un nouveau souffle, d'un nouvel espoir par ces temps difficiles où il faut relever de très grands défis. Mais hélas, le budget qu'a présenté l'honorable ministre des finances le 4 novembre dernier, je dirais, ne répond nullement aux aspirations de notre nation.

Mr Speaker, Sir, this House will recall that on 19 November 2010, when I presented the Budget Speech entitled "Rebalancing Growth and Consolidating Social Justice", I was, in fact, guided by the fact that the world has just been through prolonged social experiment in which markets and money were left to find their own way around without much political control. We have been experiencing neoliberalism and then came the financial crisis of 2008 which provoked major interventions by most vulnerable Governments using taxpayers' money to save the banking system from collapse.

At the time when I took office, the ramifications of the financial crisis were still with us and the predictions of the outcome of the ensuing global economic crisis had varied widely and I had to face the euro zone crisis. These events, in fact, created a global shift of the economic power from the West to Asia and we had to adjust so that we could rebalance the growth.

Guided by the philosophy of the MSM and the quest for more social justice, I had opted for a more humane economy. So, my Budget, Mr Speaker, Sir, was a set of social recipes, articulated by a unifying vision. It specified in the goals and strategies of the then Government, its short-term as well as the middle-term and the long-term economic and social objectives. As, importantly it spelt out the vision that we had for our nation for the next 10 to 15 years. We also spelt out the main themes of the roadmap and we have a target to transform our economy into a trillion rupee economy in the 2020s with a capita income exceeding 20,000 dollars and achieve in the same breath a better society. You will recall, Mr Speaker, Sir, that I had received – I was saying earlier – great praise from my then fellow colleagues of the then Government.

I will just quote what hon. Xavier-Luc Duval himself has said – you know, probably, he might have forgotten. He said, and I quote –

“Therefore, I would like to congratulate very sincerely my colleague, my neighbour here - how sincere was he, I do not know - the vice-Prime Minister, for an excellent Budget, a Budget that not only ensures that 2011 will be a good year for Mauritius. That is important, because we have to be prosperous and generous. You have to create prosperity, so that you can spend it afterwards. I think 2011 will be a fantastic year for the economy in Mauritius and, of course, I must say also, Mr Deputy Speaker, Sir, that the Budget has taken the opportunity – and this is also very important – to bring along or to encourage certain important changes in our society (...).”

And I'll later refer to what hon. Xavier-Luc Duval was referring to.

(*Interruptions*)

Let me try to find if there is another – this one is nice. Hon. Xavier-Luc Duval said and I quote –

“Mr Deputy Speaker, Sir, this Government, throughout its previous mandate and this present mandate, will be continuing to pursue its objectives of a prosperous country and a generous Mauritius, under the steady hand of the Prime Minister on my left and on my right *le grand timonier*.”

(*Interruptions*)

I was, at that time, *le grand timonier*. In his eyes, I hope I have not been demoted in the meantime.

Let me also refer to what the hon. Prime Minister said. You know why I am referring to this, I must say I do not know whether the hon. Minister of Finance said it – you know when you

talk outside and sometimes you get carried away, because he said that for 15 months, there was no Minister of Finance. I think I can take a number of criticisms from the hon. vice-Prime Minister, but not this one. I think you can be more imaginative. The hon. Prime Minister said in his speech on the Budget, and I quote –

“Mr Speaker, Sir, sustained economic success requires two main ingredients. The first is a long term forward looking perspective aimed at generating economic growth and efficiency. The second is the focus on social justice, and ensuring growth is inclusive.

The 2011 Budget outlined by the vice-Prime Minister, Minister of Finance and Economic Empowerment has both of these ingredients in abundance, and he should be congratulated for this first Budget (...).”

You know, I say this again, because you have to be fair in your criticisms. When you say that you know as if some Members on the other side have been saying that I did not exist for 14 months, nothing was moving in the Government for 14 months. In fact, *quelqu'un a même dit qu'on a pris du retard*. The hon. Prime Minister will answer whether we have taken *du retard* and I quote what he said –

“Right after the elections, we responded promptly. The vice-Prime Minister and Minister of Finance presented the ERCP, and now this Budget is strengthening that response.”

A theme of this Budget is rebalance growth and I won't go into all that, because then there is praise, because there is a new strategy that is being devised for rebalancing growth and looking towards - at the same time consolidating our traditional market - China, Brazil, India and so on. This is what the hon. Prime Minister again said:

“Mr Speaker, Sir, this is a budget about putting people first. And that is why it has been so widely accepted by the population, by businesses and also by investors.”

It is important to know why by investors. I will come to that again when I will see what the hon. Minister of Finance has been saying about giving an incentive for investment.

Mr Speaker, Sir, here I have to at least comment on that, because again we have all witnessed a former Minister of Finance, Mr Rama Sithanen, at that time, who he had presented a Budget which was, of course, applauded by the then Government, by the hon. Prime Minister. A number of decisions were taken. Ultimately, there was a new alliance and we went to election, we came with another programme and, on this side, we have always been consistent by saying that a number of measures that were taken by the then Government was not in the interest of the

people generally, for the poor and for the middle class. Therefore, we agree that a number of taxes like National Residential Property Tax, tax on interests and so on had to be removed, which we did. Of course, the hon. Prime Minister said that – I just quoted from the speech – this is the new policy and all the praise. I see that those taxes which we, as a Government, had imposed at that time are now being removed and that, in fact, the Prime Minister is consistent in his inconsistencies, because I see that, at one time, a decision is taken and, another time, another decision is taken.

Let me come to something which I consider very important, that the hon. Minister of Finance is taking credit for when he describes the resilience of the economy. But, probably, he forgot that the stewardship of the economy at that time was in my hands. Today's Government cannot take credit for all that is positive and put the blame on me for all the indicators which are not so good.

Mr Speaker, Sir, I could not have achieved those targets we had aimed at, in fact, there was a number of constraints which I have just stated to the House. There is one fundamental indicator which is of paramount importance, that is, the budget deficit which, according to me, has been inflated. I note that in Appendix C of the document - the hon. Minister will probably reply later on - first of all, all the Funds that have been put out of the Budget, Mr Speaker, Sir. We know the IMF has always criticised that, saying that it is not sound practice. When I took over, and I decided to dismantle those Funds, and to have all the money in the Consolidated Fund and all the expenses to be allocated in the Budget in line with what the IMF has recommended, because they said that this will, in fact, reduce budgetary fragmentation and is likely to result in stronger expenditure controls. Unfortunately, first of all, I see that the expenditures that are being mentioned do not, in fact, tally. From my calculation, out of a number of those Funds like Business Growth Fund, Local Infrastructure Fund, Food Security and Social Housing, in fact, only a sum of Rs1.6 billion has been spent and not Rs5.9 billion.

The hon. Minister is coming back again to this principle by setting a National Resilience Fund which is, again, bad practice and not in accordance with what the IMF has stated. But, Mr Speaker, Sir, may I ask the Minister of Finance how is it that capital grants has increased from Rs1.1 billion to Rs7.3 billion in 2011? In fact, let me say that capital grants are being inflated and this explains the upward revision of the budget deficit. I can recall, Mr Speaker, Sir, that when I left office, the last figure that was communicated to me by my officers with regard to

budget deficit was around 3%. Is the hon. Minister of Finance telling us that in the few months' time, the budget deficit has increased from 3% to 3.8% of GDP? I can't believe that. He explained for the increase in the capital flows. That is why, Mr Speaker, Sir, I say that probably the time of the voodoo accounting is coming back - some people call it colourable accounting, I call it voodoo accounting.

Let us see what has happened one year later. In fact, the present Budget has downgraded the ambition to achieve greater growth. In fact, it has no ambition at all regarding where do we go for the next two to three years. Let alone the vision that we have for our country in the middle and the long term, there is no economic objective and what measures the Minister of Finance intends to put in place to ensure that we can weather the storm beyond this coming fiscal year. What he contended to do was to propose a series of half-baked policies for which we can only speculate - I say we can only speculate - that we will produce a 4% growth rate. The target he has himself set to achieve during this coming fiscal year. In that respect, Mr Speaker, Sir, the House will recall that my policies during my term of office had produced a 4.2% growth rate in this present fiscal year, greater, in fact, than the actual rate of growth in 2010.

I cannot understand how he can justify this lower ambition. He says that he is going to be prudent. Fair enough! And that our traditional markets in Europe and in the US are still in the crisis mode. Fair enough! But, Mr Speaker, Sir, when we put as a title for your Budget "Growth for the Greater Good", I would have expected, at least, that he would have done better. It is 4.2% and now we are not even sure of - we can never be sure - even the estimate of 4% which is looking quite unrealistic. I hope - I pray for my country - that we do better. But when you set a target that is lower than this financial year, it is an admission of failure. In fact, another title should have been chosen for this Budget.

When I read my Budget in 2010, I must say that we had the same traditional markets that were in turmoil, they were in crisis and I believe that we have to be very, very careful. The situation does not look very promising, quite bleak, I agree, but in times where it is going to be difficult for all of us, what should have been the philosophy and the policies of this Government? Is it to come back to the ultra liberalism mode with no growth and echoing, in fact, two salient words, I would call them '*grands et petits*' – *les grands paletots et les petits copains*. In fact, the Budget should not be: No Growth and Greater Good *pour les gros paletots et les petits copains*.

The effect of this Budget, Mr Speaker, Sir, - we will be there in time to come, it is going to be caviars for the filthy rich, peanuts for the poor and nothing for the middle class.

What is the removal of the solidarity tax on dividends and interests effective as from January 2012? It is greater good *pour les gros paletots*. Abolishing capital gains tax on immovable property with immediate effect is greater good *pour les gros paletots*. I noticed hardly ten minutes from the start of his speech and amongst the first measures announced was the jackpot to the private sector. I would not dare to say that we call it *résultats sur résultats ou lor résultats*.

The hon. Minister of Finance stated, at paragraph 52, that these taxes are discouraging investment. That is why sometimes it is difficult for me to understand when I look at his reasoning on the same issues on last year's Budget. At page 4, he says, 'some changes in what I would call solidarity taxes to ensure that in fact everybody chips in during difficult times'. This is where we agree. I perfectly agree with what he said because in difficult times those people who have should be able to chip in. We are not Robin Wood and we are not taking the whole of their lot, but we ask them to chip in a bit to be able to spend for others who do not have. But, more importantly, Mr Speaker, Sir, this is a great paragraph from the hon. Minister of Finance, he said and I quote –

“We shall bring”.

And he said “we shall bring,” he is not saying the Minister of Finance at that time, I could have granted him probably a difference of opinion. He said –

“...we shall bring welcome changes to our society, to Mauritius and to the taxation system”.

Mr Speaker, Sir, it needed to be corrected at that time. But, you can correct in a good way and you can correct in a bad way. I am sure, Mr Speaker, Sir, the House will agree that corrections have been made in an excellent way. The NRPT has been abolished, but replaced nevertheless with a solidarity tax on the very rich people who earn more than Rs2 m. a year, who have interests as income and who achieve benefit also from dividends as income. This is important. It is 10% additional, it is not excessive. He goes on to say about exam fees and so on, but this is not of concern. Mr Speaker, Sir, times were bad, if it is not excessive the rich are being asked to ‘chip in’, in the words of the hon. Minister of Finance then. We are facing the same economic situation around the world. Let us ask the filthy rich, not the rich, those who earn

dividends, those who earn interest more than Rs2 m. on the immovable property, it is not the small entrepreneurs, the big ones. I know when we discussed about those issues, I will not go into that, but now that he is saying that those taxes should be abolished, according to him, the private sector will now start probably, as an incentive, to invest massively and help the creation of more wealth.

The House will certainly like to know and I am quoting a member of the private sector, Mr Espitalier-Noël, the CEO of Rogers Ltd., who stated in an interview –

*“Seul l’Etat a les moyens d’investir dans ce contexte difficile. Le secteur privé, après avoir été gratifié des milliards sur les différentes taxes, fuit déjà devant leurs responsabilités. »*

I see now the Minister of Finance had imposed a solidarity levy of 10% on management companies in the global business sector. He calls it a solidarity levy. Solidarity, I presume, because his philosophy is because they are doing well, they are earning a lot of money, so let them chip in 10% of their profits. But I already hear - and I do not know what is his stand, probably he will reply - that *il est en train de reculer maintenant*, that this will be abandoned. But I can say again those who are influential, those who have, are able to influence the Minister of Finance.

I will go on a number of few measures, the revival of the cleaning up and embellishment programme of the Tourism Authority. We know what happened, Mr Speaker, Sir. In fact, he is blaming those institutions like the NDU, Beach Authority, the Ministry of Environment and the Local Authorities also. They have to carry out this mission. It is within their mandate and objectives. Another unit is being set up at the level of the Ministry of Tourism and we know what has happened in the past. I will not go into that because I am sure at the level of Government there was no such agreement on this issue. That is why we dismantled this thing and a number of people had to join the Local Authority and other institutions.

*Maintenant on vient avec les roving ambassadors, M. le président.* We have a number of missions in Africa. There are people being paid for doing that kind of job. They have jurisdiction over a number of countries. Do we need now to appoint two roving ambassadors *pour aller se promener en Afrique? Et pour faire quoi? Je dirai* for the greater good of *les petits copains. La tendance de gaspillage démontré par ce gouvernement, j’espère que cette somme de demi-*

*milliard qui a été allouée, promotional campaigns, ne va pas finir comme les campagnes style Thalassa à l'Ile aux Cerfs.*

*(Interruptions)*

Let us have a look at what the hon. Minister has proposed to achieve growth. Procedures for processing of licenses will be accelerated, business administrative gridlocks will be eliminated and environment will be improved. This strategy for big companies to invest more to create jobs, to achieve growth and for the SMEs lengthily expanded on measures to improve access to finance. I need to comment on the access to finance because I did not have the opportunity the other time to ask the relevant questions. Last year, I came up with some innovative measures like imposition of tax on the banks where the latter in fact had the option either to pay tax of 1.25% on profits and 0.5% on turnover or contribute the amount to the Private Equity Fund for the benefit of the SMEs.

Of course, if the banks had a choice and this would have compelled them at least to chip in an amount of money. I must say that I doubt if the measures announced with regard to access to finance will bring the required results.

Now, what will be the criteria that will be applied by the Commercial Banks? Will it still be the same with the same rigidity? I see that the Chairperson of the Banking Association has given already a warning. *Et, je cite –*

*“Le nouveau plan que propose le budget 2012 ne va en rien diluer la rigueur appliquée jusqu’ici sur le crédit aux PMEs. Il n’a en rien une licence pour faire du reckless banking et cela même avec une garantie de 35% de l’Equity Fund”.*

So, in my view there is no obligation. The criteria that are going to be adopted by the bank will still be with the same kind of rigidity, but the hon. Minister of Finance has announced new legislation. The hon. Minister of Finance will come up with new legislation to compel the banks to lend to SMEs. *Je ne vais pas préjuger de ce qui va être présenté au niveau de la Chambre, mais je dis bonne chance. J’espère que cela pourra se faire dans l’intérêt des petites et moyennes entreprises.*

Let me remind the hon. Minister of Finance, that the issue of 8.5% rate of interest under the MTSP, the rate of interest was already 5.5% and under the Food Security Programme, the rate of interest ranging from 3% to 5%. So, I hope that there could be other schemes proposed to

target SMEs, probably in terms of sectors with a much favourable rate of interest. I hope that the hon. Minister of Finance will consider and will have a look on that.

I see that the hon. Minister of Finance has abolished the specific duties on shoes and other footwear. I wonder whether the hon. Minister of Finance has had discussions with people who are employed in that sector because they are regrouped in an association. I used to have budgetary consultations. It seems that the hon. Minister of Finance did not have budgetary consultations this year, but with regard to that specific measure, it is going to hurt these poor people. I don't want to suggest, but what I could have proposed instead, is to come up, - if he wanted to lower the taxes, he could have done it in a progressive way and discussed with those people, to see how they can adapt probably over the years.

Regarding public investment, this is, in fact, a major contributor to the pace of economic development. I see that the Budget mentions so much that will be spent and only one word to describe the Light Railway Transport project. I must say that despite the heavy investment that is being made in the road network, there are still being clogged, millions of hours of work and leisure are lost every day, and this I am sure this does impact negatively on productivity and competitiveness of our nation. We are still losing and it is not new – I am not saying that it is a new thing – and I am just highlighting that we are still losing billions of rupees every year in paying for the fuel. We have to import to run our vehicles and a major part of it which is wasted in traffic jam.

The LRT system of transport, Mr Speaker, Sir, was included in our manifesto. In our vision of our society for tomorrow, we have clearly demonstrated that we need a new transport system, that is, not only more fuel efficient, but also more effective in bringing our people to work and back home. This LRT strategy will also be a major factor together with the new approach in terms of air access and in making our vision of Mauritius as a shopping paradise a reality. I don't know for political reasons, this project of LRT seems once more to find its way to oblivion. A concept of transforming Mauritius into a duty-free island, I see only one word has been mentioned, it seems clearly that there is no will to move ahead with these projects. I know that we are going to privatise a number of institutions and just to take one, as an example, I can remember that I have discussed with the hon. Prime Minister and he made the comment to the public and ultimately was taken up by other people also, with regard to our casinos. I think that

this is the only country in the world where casinos are loss making, and we know what are the reasons. We must have the political will to put order and to make those institutions profitable.

Let me come to *la misère qu'on est en train de faire* to the elderly. I find that shocking, Mr Speaker, Sir. Last year, when it came to compensate the beneficiaries of the BRP, in order, to give them a better purchasing power, which is still not enough for them, but still I remember that I granted a compensation above the inflation rate. This year, the compensation is only Rs204 whereas the full compensation would have amounted to Rs330.

Mr Speaker, Sir, beneficiary has not been given the sum of Rs126 per month, which is their due. I have made a calculation and it would cost Government Rs150 m. if they were to correct that. I would appeal to the hon. Minister of Finance that while we are able to give to the filthy rich money in their kitty by abolishing the solidarity tax, by abolishing tax on gains, why don't we do that special effort? In fact, it is not an effort, but their due. Give them that Rs150 m., give them that Rs126 per month, so that they will be able to bear the brunt of the loss in the purchasing power.

SMS. Again I find that unacceptable. We are talking about cyber island, we are talking about free access to internet, increase in the speed of connectivity, where our young generation will use the latest technologies in their everyday life, in their relationship also, in their leisure and, in fact, we want the whole nation to use the best of the latest means of communication and at the cheapest rate, Mr Speaker, Sir. What is this Budget doing? We have 1.2 million mobile phones and on an average, it is about probably five or six SMS per day and a calculation done again by the hon. Minister himself, we are taxing a mere Rs150 m. We are taxing in fact, above the VAT rate because it is about 17%. Again, I will appeal to the hon. Minister of Finance to reconsider this tax. Why are we giving so many billions of rupees to the filthy rich and we are going to tax ordinary people in terms of sending SMS.

Let me come to agriculture. I must say that the situation in the future looks very weak. With a sum that I have provided for the Budget and, in fact, even those sums were not being used to their full capacity. Now, we see that the cane crop is going to be 400,000 tonnes and the small planters are heading for disasters with the absence of concrete measures. I must say that I am very worried because the only measure that has been announced is the removal of VAT for the purchase of equipment. Now, there are two major obstacles in this.

Firstly, every small planter would have to get himself VAT registered, before he is able to claim any VAT, in the event of purchase of equipment.

Secondly, if the hon. Minister knew and was committed to reality, he would have found out himself how many small planters buy equipment that is going to be used for their cultivation. The equipment is very expensive in itself. In fact, they are being leased. What I did was to have a scheme, to be able to motivate entrepreneurs to buy equipment at cheaper prices, in order to be able to lease them at a better rate for the small planters. This is what we should look at; the small planters will never be able to buy those equipment. On top of that, probably we have not realised the impact of the increase in the water tariffs for irrigation for the small planters, and here I am talking about the whole planting community.

Therefore, Mr Speaker, Sir, I must say that the planting community, which has been a pillar for our economy, does not look very good. But let me suggest one thing also, because we cannot come with criticisms all along. Let me suggest one thing, which I believe can be far reaching for the planters, especially in the sugar industry. Let us give due consideration to the project that has been presented by the Island Green Farmers Cooperative Society Limited.

Basically what it is? It is to set up a plant for the production of ethanol, because government has already given the go ahead. We are going to produce ethanol, and I am sure that this measure will go a long way. The government is aware about this project. In fact, some Ministries have been looking at it very closely. The hon. Prime Minister also is aware about this project, and I am sure it will help the planters to remain in production, to be an active player in the value addition of the cane industry. In fact, to me - I take probably the hon. Prime Minister himself and other members of the *Commission Pour La Democratisation de l'Economie* - this is a golden opportunity to democratise the economy. Let the planters themselves come up with this.

Let me come to Housing. I am really flabbergasted when I talk about housing, Mr Speaker, Sir.

Last year, I had announced five schemes for different categories of people, ranging from the very poor to the middle class. Rs1.5 billion had been allocated in my budget. If you look at the budget, not a single cent has been spent from Rs1.5 billion. Now, what is being done? The hon. Minister of Finance brushes this aside, abandons these schemes, and he is now coming up with the Trust. Probably, just to remind him, I would quote what he said -

'(...) something I wanted to mention, which I think is very important, is the extended repayment for NHDC housing and loans on houses (...)

(...) but still opportunity to be able to repay your house over 40 years because this is the very purpose also of the scheme. We will make a dramatic difference to your disposable income, but it will reduce dramatically the amount that you need to pay the capital (...)'.

The hon. Minister says that we will come with a Trust. Who will create those Trusts? I am told they are intended to be non-profit making. Who will manage and implement those Trusts? Who are going to be investing partners in those Trusts? Who will carry out the feasibility study, the infrastructural plan and implement those projects? What are the criteria that are going to be used? We hope we will get this information from the hon. Minister of Finance.

Let me come to one issue which has been raised by the hon. Deputy Prime Minister. I come to his sector.

First of all, let me say that, with regard to the EIB loan, in fact, in a way it was a cancellation, because government did not act promptly, did not furnish the required information to the EIB, and that is why we came up with this situation. There are other reasons also; I am not saying that everything the Deputy Prime Minister has said is wrong, but this is the main reason. It's because we were irresponsible and did not act promptly.

The CWA had no chairperson; no CEO for a whole year, and no strategic decision could be taken. The situation is critical? I agree! But the hon. Deputy Prime Minister said earlier that, in October 2010, I took the decision to increase the water tariffs. I must say that I am really puzzled, because it is as if, as Minister of Finance, I was also running the DPM's Ministry if I had taken that decision. We should not forget that he is - I have all the respect for him. He is the hon. Deputy Prime Minister, and hierarchally he was above me at that time.

First of all, let me set the records straight, Mr Speaker, Sir. True it is there have been a number of meetings with the hon. Deputy Prime Minister. Who proposed to come up with new tariffs? You must be honest with yourself, hon. Deputy Prime Minister! Who proposed to come up with new tariffs, because it is his ministry, it is his department! He came up with new tariffs because he said - because I will not accept something which is misrepresented, and he said it earlier - that the EIB is not willing to give us further money, because one of the conditions is that they are asking government to review the tariff rates. This is the truth! And he came up with this proposal for new tariffs!

Hon. Bachoo was there, hon. Xavier-Luc Duval was there, and I was there also. Don't worry; I won't divulge the discussions that took place. I don't think it is proper for me. Let me say also that there were some people who were against and some people who were for. I won't mention names; forget about it. But there is one thing I have always said, Mr Speaker, Sir. I don't bluff and I live up to my responsibility, and whatever I have done, I live up to that. I have always said one thing. In a situation of crisis for the water problem, people - I must say some people - sometimes do not even understand the situation; some people are alive to it, some people think that even if it does not rain, even if nature is against us, it is for the government to be blamed. No! I say: let us improve the infrastructure; let us improve the water supply. Then, we can consider and come up with whatever increase in tariff, because people will not understand and people will not accept that, when there is no supply of water, when there is a problem of water, you just come and increase the tariff. I ask the hon. Deputy Prime Minister a question. He is talking about October 2010 as if I had decided to increase the water tariffs. If it was October 2010, one year has lapsed! Why did we not then increase the tariffs? The truth is, and let's look at what decision Cabinet has taken.

**Mr Speaker:** Was it publicised?

**Mr Jugnauth:** Yes.

**Mr Speaker:** As a communiqué of Cabinet?

**Mr Jugnauth:** No, let me put it the other way: Government had taken a decision on 14 October 2011. Probably, you are mistaken about the year, hon. Deputy Prime Minister. It's not in 2010, but in 2011 that this Government took the decision to come up with the increase in water rates.

Now, let me add also what I did. You appealed to me - let me say the truth also - that the situation is difficult and outside budget, Mr Speaker, Sir. Funds were allocated in the Budget for CWA for the water problems. What I did outside the Budget, for the connecting of Mare Longue to Mare aux Vacoas, I gave an additional sum of Rs85 m. Additional funds had been given outside budget to lay pipes and to dig boreholes and to buy equipment. I can give a list. It's not an exhaustive list because I was a bit taken by surprise when the hon. Deputy Prime Minister mentioned about this problem. Replacing the infrastructure from Camp Fouquereaux to Alma has been done outside budget; from Camp Thorel to Salazie; from Plaines des Papayes to Triolet; for the Pierrefonds pipeline and one of the biggest other projects is from Quartier Militaire to

Mont Ida. Millions of rupees were given. So, you should not make as if whatever is good is your doing, whatever is bad is our doing. We must be fair. Mr Speaker, Sir, let me say something about the supply of energy because, again, I am very worried with the situation regarding blackout. I'm surprised that nothing has been done to address the possibility of shortage of energy in the future. This has been a sector which has been crippled by the fact that the Government could not take any major decisions. I was in Government. Mr Speaker, Sir, we have been considering coal, we have been considering clean coal, we have been considering coal/bagasse, we have been considering heavy oil, LNG - Liquid Natural Gas - and other sources. We are just like a dog trying to bite its tail; we are turning round and round. *Et pourquoi? Pour divers intérêts!*

Let me say something about law and order again. Earlier I mentioned that, in fact, there is a sense of insecurity in the country. I hope the hon. Prime Minister will give due attention to what is happening because the cases that are being reported, the incidents that are occurring in our country, in fact, make us shiver with fear for ourselves and for our close ones.

The population feels more insecure than ever before and the vice-Prime Minister, himself, has stated in the Budget that our prisons are, in fact, overcrowded. I am trying to just highlight the urgency of the situation to address this national priority.

Coming to fraud and corruption, again, these scandals are a plague to our country. I must say the situation is frightening. My friends on this side of the House have dealt with a number of cases of fraud and corruption, but what is more frightening in our democracy is that the very institutions and authorities, whose mission is to combat fraud and corruption and to clean our country are, in fact, not acting in the right way.

We have cases of selective investigations...

**Mr Speaker:** Is the hon. Member talking about the ICAC?

**Mr Jugnauth:** No!

**Mr Speaker:** But, now, which is the institution that fights against fraud and corruption if it is not the ICAC?

**Mr Jugnauth:** The CCID, for example, Mr Speaker, Sir! I will give you the example.

**Mr Speaker:** Then, the hon. Member can talk about the Police.

**Mr Jugnauth:** The CCID, we all know the episode. Initially, they were trying to threaten the hon. Leader of the Opposition for a case of diffusing false news. Then, ultimately, ...

**Mr Speaker:** That is fraud and corruption?

**Mr Jugnauth:** No, that is not acting in the right and proper manner in terms of ...

**Mr Speaker:** That is different.

**Mr Jugnauth:** And ultimately, my friend, hon. Soodhun! Another Member of the Opposition, Dr. Joomye! That is why I say we have selective investigations. We have cases where, in fact, people, culprits, I would say, are interrogated as witnesses. We have cases where culprits are never even called to depone. We have people who have confessed in public and who are free, whereas at the same time, witnesses are being lengthily interrogated, harassed and even threatened. We have cases where inquiry has not been completed for more than four to five years. Again, others are given a certificate of urgency and cases of death in Police custody in very, I would say, disturbing circumstances! That is why I have repeatedly said that there is a major problem.

Mr Speaker, Sir, let me come to what the hon. Minister has mentioned and I find that shocking, I must say. He speaks about a committee or a mechanism that he will set up. I think it is at paragraph 233 where he says - if I remember well- that he will set up a mechanism to decide on the rate of inflation. I have had a look at the Bank of Mauritius Act which I, myself, had presented to this Assembly and I look at the object of the bank. Let me quote so that hon. Members can understand -

“The primary object of the Bank shall be to maintain price stability and to promote orderly and balanced economic development”.

Then, when we look at the function of the bank, at section 5 -

“The Bank shall have such functions as are necessary to achieve the attainment of its objects and, in particular, it shall -

(a) conduct monetary policy and manage (...).”

And at subsection 2 where it is said, – and this is crucial – I quote -

(2) The Bank shall -

(a) for the purposes of subsection (1)(a), determine, with the concurrence of the Minister, the accepted range of the rate of inflation...”

Now, it is the Bank of Mauritius which shall determine the accepted rate of inflation. What do we see today? First of all, the hon. Minister is going against the law because he should amend this law. He should not just set up a mechanism and say, ‘Look, now, we are going to decide’.

You should come with an amendment to the Banking Act and, if it is the policy of the Government that Bank of Mauritius, Central Bank, should not be the one to decide on inflation, should not act in an independent way - although, there is consultation with the hon. Minister with regard to that monetary policy. Well, say so clearly and I hope that this Government will not be encroaching and violating the law and that it will come up with the necessary amendments in order to put in place this very mechanism.

*I know that time is running out, Mr Speaker, Sir, so I'll conclude.* M. le président, qu'est-ce que je vois en face de moi? Une équipe amoindrie, amputée des compétences que nous avions offertes avec sincérité. Je vois en face de moi un Premier ministre, un capitaine qui lui-même déclare qu'il n'a pas confiance en ses ministres qu'il ne veut rencontrer qu'au Conseil des Ministres, et qui avoue qu'il a peur que son équipe soit trop faible pour répondre aux interpellations de l'Opposition.

*(Interruptions)*

Nous avons vu, tout récemment, le triste épisode parlementaire de mardi, où, certains ministres ont été tout simplement lamentables.

Je vois un Premier ministre qui a perdu de sa superbe, qui est déboussolé et qui ne doit pas dormir tranquille pour plusieurs raisons, entre autres, sa majorité faible qui doit sans doute aussi avoir un problème de conscience. Et pour la première fois, je l'ai vu aussi mal à l'aise en répondant à des *Private Notice Questions*.

**Mr Speaker:** No, now the hon. Member is imputing motive on the hon. Prime Minister that he is not doing his work properly. I am sorry!

**Mr Jugnauth:** I'm not...

**Mr Speaker:** No, but that is the thing!

**Mr Jugnauth:** Yes, I am withdrawing what I said.

*(Interruptions)*

*Quand je regarde de l'autre côté de la Chambre, il me semble qu'un ressort est cassé au sein du gouvernement et se dégage un sentiment de fin de règne. Le cycle Ramgoolam tire à sa fin.*

Mr Speaker, Sir, there is a wind of change blowing over the world. We have seen the Arab spring. Many leaders are being forced to leave power. The more so in democracies like in Europe; we have seen it in Greece; in Spain only yesterday. The case in Italy is even more blatant. In an article, the BBC entitled "The secret of Berlusconi". There is an analysis of a man

in power, a man who controls the media and the business community and who could even sway the Judiciary in his favour, a man who ruled and used power for 20 years in the way the Roman Emperors did. Let me quote a few lines from this article –

“In politics, Silvio Berlusconi has a sure instinct how to solve problems, how to turn any event to his advantage, and how to neutralise any event that cannot advantage him. Even in a crisis, he makes it appear that he has done very well and that it is not his fault.”

Mr Speaker, Sir, this, first of all, rings a bell, but this is what is happening in our country. We know that history has it that Berlusconi had to step down.

Mr Speaker, Sir, the hon. Prime Minister spoke of our founding fathers and the contribution of Sir Anerood Jugnauth. He spoke of strong shoulders on which we are standing and he spoke of those who planted trees under whose shade we are sitting today. Throughout history, great leaders have felt that they should devote their whole life to the betterment of our people and the progress of our nation. In fact, great leaders have served their nation in different capacities at different times. Prime Ministers have gone and people claimed them back like Sir Winston Churchill. Presidents have gone and people have claimed them back like Général de Gaulle. In Russia, Prime Ministers have become Presidents and Presidents have become Prime Ministers. In Singapore, we have seen a call from the nation for a former Prime Minister to come as special Minister to serve his people once again. At the end of the day, what matters is what we have, a leader who cares for his people and leads them to a better destiny away from...

*(Interruptions)*

...chaos, insecurity, fraud and corruption, injustice, to build a country where there is peace, unity, meritocracy and happiness.

Le peuple est souverain, M. le président. Le peuple veut un retour aux vraies valeurs de la république et de la nation mauricienne à travers l'histoire ; un *leadership* éclairé, une expérience mise au service du pays, la droiture, la discipline, le franc-parler et la méritocratie. C'est le souhait ardent d'une majorité de la population de voir un retour aux urnes dans le plus bref délai pour qu'ils puissent choisir un nouveau gouvernement, un nouveau *leadership*.

I have done, Mr Speaker, Sir.

*At 4.05 p.m. the sitting was suspended.*

*On resuming at 4.41 p.m. with Mr Speaker in the Chair.*

**The Prime Minister, Minister of Defence, Home Affairs and External Communications (Dr. N. Ramgoolam):** Mr Speaker, Sir, let me first of all, thank you and your Deputy for presiding over the debates with the usual tact and patience. Mr Speaker, Sir, when the vice-Prime Minister and Minister of Finance presented the Budget to the House, it inevitably, like any Budget, contained a whole series of measures. But these measures are never decided in a haphazard way. Budget presentation is the fruit of long discussions over many months with various stakeholders, both public and private, with the different Ministries, the NGOs, the unions, members of the private sector and so on.

The Minister of Finance also has to examine in detail all the economic figures; that is one of the reasons why we move the Budget to November because all the figures are then obtainable. He has to take stock of the effects of the budgetary measures taken the previous year and also to take into account the economic and financial situation in the country. He must also take into consideration the world economic situation and make an assessment of how it is likely to unfold. He must do all this without losing sight of the overall vision and philosophy of the Government. It is, therefore, a major, detailed and time-consuming exercise which will have a direct impact on the economy in the coming year and give the direction for the way forward.

Mr Speaker, Sir, the vice-Prime Minister, hon. Xavier-Luc Duval, was only appointed Minister of Finance last August, that is, some three months ago. In spite of the short time that he has been Minister of Finance, he has clearly mastered his brief and done a remarkable job in a particularly difficult international context and I think he needs to be applauded for his achievement.

*(Interruptions)*

Let me, Mr Speaker, Sir, at the very outset respond to the remarks made by the hon. Leader of the Opposition and which was repeated *ad nauseam* by others. They say that I, as Prime Minister, have had full discussions with the Minister of Finance - I have had three Ministers of Finance since 2005 and that some measures were introduced by the first Minister of Finance in 2005, they were removed by the second Minister of Finance in 2010 and are being reintroduced this year by the new Minister of Finance and I approved all three of them.

Mr Speaker, Sir, any Prime Minister worth his salt, is naturally consulted by his Minister of Finance on the Budget proposals. At least, I operate this way. The Minister of Finance, after having done all the ground work which I referred to earlier, reviews the economic situation with

me, as Prime Minister, and proposes measures to address the new situation. We had long discussions. The Prime Minister does not necessarily agree with all proposals. In fact, some of the proposals come from the Minister of Finance himself, which I find to be very good. We had long discussions but, at the end of the day, the Prime Minister gave his stamp of approval. This is how I proceed and I assumed that responsibility.

When we came to power in 2005, the economic situation of the country was alarming and deteriorating fast. In fact, when I was Leader of the Opposition, time and time again, we had press conferences from 2001 to 2005 and I rang the alarm bells. The shadow Minister of Finance also rang the alarm bells, warning the Government that all the key macroindicators were turning to red, eventually were in the red and were worsening but, of course, to no avail.

Let me briefly remind those who are talking of saving the country from bankruptcy of the economic legacy inherited in 2005: a public debt of nearly 70% of GDP. The hon. Leader of the Opposition himself acknowledge during his speech that, once public debt reaches around 60%, nearing 60%, we have to be worried. But during their mandate, public debt continued to rise year in year out by no less than Rs10 billion per year to reach nearly 70% of GDP when they lost the election.

Let us look at growth - hon. Li Kwong Wing spoke about low growth, 4% is low, in those circumstances - at that time. He was not in politics, but I don't know whether you were following. Growth had been reduced to 2.2%, Mr Speaker, Sir, and let me remind them that we had left the economy growing at 10.2% in 2000. It was reduced to 2.2%. The tourism sector had a paltry growth rate of 2.3% under that. When I was Leader of Opposition, I did ask questions to the then Minister for Tourism, hon. Bodha, and I asked him: "What were the reasons for the low growth in the tourism sector." He is such an able man, he can make miracles, why was it so low - 2.3%? He tried to blame it on external factors. They can check the Hansard, they will see the answers. I reminded him, Mr Speaker, Sir, why is it then, in all other countries, including other islands, they were having a much higher growth rate, and he had no answer, because there was no possible justification for such a paltry growth rate in one of the pillars of the economy.

Mr Speaker, Sir, they managed to have an unprecedented - unprecedented means there is no precedent - negative growth in the EPZ sector not for one year, not for two years, not for three years, but for four years running. 35,000 people lost their jobs when they were in power - a

constantly rising unemployment rate which peaked at 9.6%. We created twice as many jobs they created from 4,500 to 9,400.

Foreign Direct Investment - I will come to the accusations about Foreign Direct Investment - Mr Speaker, Sir, the average FDI during their four years in office was Rs1.6 billion only. When we took over in 2005, in one year, we had more FDI attracted to this country than what they did in four years.

There were serious imbalances in our external trade. Our net international reserves was only Rs54 billion. The latest figure I have is Rs111 billion, more than double, and we are speaking of billions, not millions, from Rs54 billion to Rs111 billion net reserve.

The balance of payments was in the red for two years in a row. On top of that, they left skeletons in the cupboard away from the sight of the population, amounting to Rs3 billion which we had to clear and we did clear the Rs3 billion.

All of this, Mr Speaker, Sir, believe it or not, in spite of the increasing VAT by 50% in 12 months, in spite of the increasing income tax from 25% to 30% - let me remind the House, because some have short memories - at a time when there was no global economic or financial crisis, there was no whiff of a crisis around the horizon.

The price of oil was still stable. It had not yet started its vertiginous rise. In 2000, the price of crude oil was US\$28.2 per barrel. In 2005, when we took over, it was US\$53.4 per barrel and has continued to rise. Last Friday, it stood up US\$107.79 per barrel. Commodity prices were not rising worldwide at the time. The sugar protocol was still there. There was no reduction of 36% in the price of sugar and the Multi-Fibre Agreement was not yet dismantled. No wonder that the hon. Leader of the Opposition, when he was Prime Minister, felt the need - and I can understand him - to say the last year in government: '*La situation est dramatique et sans précédent. Nous sommes en état d'urgence économique*'. We all know who was the then Minister of Finance. What an admission of how they had been reckless and irresponsible in the management of the economy and they talk of *sauver le pays*, these people! We took over in 2005 with this economic mess, but we didn't shirk from our responsibility. We did not say: 'oh, we are going to leave. Let's go back to the people.' No, Sir! *Le pays était au bord du précipice sinon dans le précipice, mais nous avons arrêté le déclin économique* and this, in spite of the fact, I just mentioned, the sugar protocol was cut. There was a reduction of the price of sugar over four years by 36%; rapid rise of oil and commodity prices - I just mentioned the figures - the

dismantling of the Multi-Fibre Agreement. In other words, we had to sustain a triple shock in the economy at the time we took over. Imagine for one minute, an economy in ruins, three external shocks to face and all this before any global or financial crisis which started to loom in 2007 and became a full blown economic crisis in 2008. This reversal of our misfortune in the face of such dire new economic threats did not happen by itself. Look at the other countries, compare. We took bold actions. We started the necessary forms which were long overdue. We put our finances in order, all this without raising VAT or income tax and we brought the country out of the infernal economic decline back to the path of growth and prosperity without ever losing sight of those who were at the bottom of the ladder. We showed, Mr Speaker, Sir, that you can combine economic efficiency with social justice. It can be done and we showed how it can be done. Unbelievably, it is those very people who have now the audacity to say that the country is going bankrupt and they need to take over to save it. God forbid us, Mr Speaker, Sir.

Coming back to the accusations of zigzag and undoing of the measures of the former Minister of Finance, let me say this, Mr Speaker, Sir. Unlike the former Minister of Finance, I will not go down to his level - at least, I will try - and accuse him of all the sins of the world. I will not do this. I will assume my responsibility, Mr Speaker, Sir. Let me say - without devolving anything - first of all, in spite of all my urgings to consult me early on, it took a long time. I understood this. I must say frankly, sincerely, I understood his position. He was new. He had no grasp of economics, of figures and he wanted to have more time. I always have my economic adviser, Professor Andrew Scott, to come here when I am preparing the Budget. At some point, he comes here to look at the measures. He came here. I asked him to go and consult the Minister of Finance. He did go. He came back to me to say there is nothing to consult because they are not ready. He was working closely with his two advisers, Mr Sherry Singh and Mr Dowarkasing. They were the ones who were advising him how to prepare the Budget! No wonder he was at a loss! Eventually, he did come to consult me. Fair enough, he did come to consult me.

Now, there was no problem with the NRPT. I heard hon. Bodha, former Minister of Tourism, mentioning NRPT, Navin Ramgoolam, whatever. He likes my name, I know. There was no problem. Even when we introduced it, we had said we are introducing it because there is no cadastre in Mauritius; once this is done it would be fairer and we will remove it. We had taken a commitment. I'm not saying that I did agree. We had taken a commitment prior to the election, but we'll put it in our manifesto because the former Minister of Finance had been

criticising it. There was no problem because we had already taken a decision to abolish it. So that was no problem, but I did tell him - and I hope he will agree - at the beginning that his taxation measures were messy. I understand he was very keen to undo most of the measures of his predecessor, but I did tell him it was messy. You cannot say, for example, anymore that we are the lowest taxation country in the world with a tax band of 15% now that we are changing all this, one tax there, one tax somewhere else. It is not giving a clear signal. That is what I meant by 'messy'. It was muddy, probably done in good faith, I am not questioning the good faith, but I felt it was messy. He explained to me that he was convinced that this is the way we should go. People are cheating this and that and that. I said okay. He wanted to introduce Capital Gains Tax and all this and, as I said, Mr Speaker, Sir, I am not shirking from my responsibility. I eventually agreed and said: 'Okay, we shall see how it works out, what are the final results.' Now, we have to look at two parameters, Mr Speaker, Sir. The Minister of Finance has to look at two parameters. He has to analyse the effects of the budgetary measures we had taken in the past year, see what impact they have had and also he has to look at the world economic situation, especially, as you know, there is an economic meltdown in the Eurozone; there is an economic downturn in the United States of America. He has to take this into consideration otherwise we would do a Budget once in five years. That is the whole purpose of this fiscal exercise. We must not bury our heads in the sand like some people are trying to do. It is crystal clear that some of the measures introduced last year – I'm not saying all the measures – have had a negative impact. It is clear. It has spooked investors both local and foreign. FDI has plunged dramatically by 69%. The Construction Industry has practically grinded to a halt. Transactions in the housing market: land acquisitions and land sales have dropped dramatically because of the Capital Gains Tax. Mr Speaker, Sir, Capital Gains Tax has practically stopped the RES (Real Estate Scheme) projects in its track. It has impacted negatively on the democratisation process that we had embarked upon. To ensure meaningful and sustainable participation of the small landowners – somebody was talking about the middle-class – they want to participate in real estate projects. We wanted to enable them to derive the same benefits that were accruing to only the big landowners through the Integrated Resorts Scheme. That is why we re-introduced the Real Estate Scheme in 2007. That is the reason, empowerment of the middle class and it was also in the process of the democratisation of the economy. The development of a number of Real States Schemes, Mr Speaker, Sir, with high class facilities is an undeniable opportunity to the small landowners to

secure a direct participation as investors, entrepreneurs and promoters in the Real Estate Sector. The introduction of the Capital Gains Tax last year, unfortunately, has been discouraging small landowners to transfer their land into the RES projects against equity as they were taxed even before they were financially remunerated.

In other words, Mr Speaker, Sir, they had to pay Capital Gains Tax upfront which made it practically impossible for small landowners to take advantage of the RES Scheme and that is the result. Look at how many RES Schemes have been promoted. The Capital Gains Tax has in a contorted manner taxed the small landowners who have not received any monetary income from the transfer of the land to develop a project under the Real Estate Scheme; that is what has happened. The landowners had to pay the tax upfront which was a major disincentive for investment and this has been a major obstacle for small and medium landowners to embark on such a project, a major obstacle, Mr Speaker, Sir. They come and talk to us afterwards, because what we have in the Budget is not known before. And this was, as I said, in total contradiction with the ethos of my Government that wants to broaden the circle of opportunities so that the small landowners as well, get a fair chance to participate in and reap the reward for more productive use of the land, capital and other benefits from mainstream property development.

The imposition of the tax on the gains, from the transfer over there, has been no cash involvement, as excluded and deterred a substantial number of landowners who were keen on investing and taking development risk. When you are investing you are taking risks, they were keen to take these risks, they were quite simply deprived of these opportunities, Mr Speaker, Sir. How can we tax the transfer of property to a company where the landowner is a shareholder which is a sequential ownership of land? And also, Mr Speaker, Sir, we must face the facts. Confidence has also been adversely affected. These economic facts speak for themselves. Mr Speaker, Sir, in view of the negative consequences of these measures on investment, on economic growth, on confidence, there was no way; we could just stay put and say fine. We have to act responsibly; we deem it necessary in the economic interest of our country to revisit some of them. This is not a question of pride, or vanity, Mr Speaker, Sir. This is about putting the best interests of our country first and that is what you must do always if you are Prime Minister.

Mr Speaker, Sir, I would like to remind hon. Members, John Maynard Keynes - I suppose some of you know of him - was once criticised about changing his mind. He was asked about it by a journalist and this is how the great economist responded. He said –

“When the facts change, I change my view. What do you do, Sir?”

So right! And to make matters worse, as I said, the international economic and market facts have changed dramatically. In 2008, Mr Speaker, Sir, we had to face a worldwide financial and economic meltdown. We managed to build resilience in the economy and, if you remember, Mr Speaker, Sir, I have said it in this House; we acted much, much before. As soon as the first indication - it was not yet a world economic meltdown, we took some decisions. We had the Stimulus Package, we paid PRB in full. Then, I had long discussions with the Minister of Finance. Normally, we paid it in parts. We decided to pay it full precisely because there was an economic repression that was looming round the corner; we wanted to stimulate the economy. There were signs afterwards, last year or a bit more than one year, there were signs that the world economy was recovering. We could see the green shoots of recovery. However, all those who live in the real world - not an imaginative world - know that there is a meltdown in the Eurozone and that the economic might of the United States of America has grinded to a halt. There is another recession looming, it is a fact. Many experts, in fact, believe, Mr Speaker, Sir, that there is a real risk of a double dip recession that is more likely than not, many say so.

Recently, the Governor of the Bank of England, Mr Mervyn King, said in an interview on television that he expects this economic and financial crisis to be worse than the great depression of the 1930s. Mr Ben Bernanke – I think he is called – the Chairperson of the Board of Governors of the Federal Reserve Bank of the United States of America, this is what he said recently that there are severe downside risks to the global economy. The IMF is pessimistic about Europe. There is a huge volatility in the stock market, we know it, we see it and there is a heightened fear of a global recession. The new recently appointed Director-General of the IMF, Mrs Christine Lagarde, has said for the first time that Europe runs the risk of a lost decade with prolonged economic stagflation; similar to what happened to Japan for almost two decades. We know, Mr Speaker, Sir, that we are a small open economy. We all know this. Our main markets are in Europe mainly in the Eurozone and in the United States of America. Therefore, who is the person who finds it difficult to understand that we are bound to suffer from the effects of this recession in those countries? We are not and we cannot be immune, it is impossible. This is plain reality, Mr Speaker, Sir, it is not difficult to understand. That is why I said there are some *illettrés économiques* in this country, who apparently even do not understand this.

The economic facts and the financial circumstances have changed dramatically and very fast and worse there is no visibility. We are steering the ship of State in a deep fog, Mr Speaker, Sir, nobody can see in front what is going to happen, there is no visibility. No one can predict how the present economic upheaval will unfold, neither is its duration nor its depth or what we can call a global economic tsunami. Nobody can predict. Therefore, these extremely trying and testing times in economic and financial management has ample evidence, Mr Speaker, Sir, by what is happening across the world, from Ireland to Greece, from Portugal to Spain, from Italy to France, from the United States of America, to the United Kingdom as well as Japan. We can see what is happening; even the Chinese economy is overheating at the moment. The forecast about the global economy, the EU economy, even about the emerging giants are being downgraded, the World Bank, the IMF, the EU, the OECD are all downgrading their forecasts. I do not know whether hon. Li Kwong Wing knows, we have said a growth of 4.2 % this year and we are prudently saying it, because there is a crisis looming of 4% next year, a scandal. It is an admission as if we are failing. France - let me remind you - had forecast a growth rate of 1% next year. It downgraded this to 0.8%, some few months ago. It has now again downgraded its growth rate to 0.5%. Germany, the strongest economy in Europe is now forecasting a growth rate - believe it or not - of 0.8%. Italy has downgraded its growth rate to 0.1%; Japan, after two decades of stagflation, has forecasted a growth rate of only 0.2%. And now, they say: don't compare us to Europe; don't compare us to France; don't compare us to U.K; compare us to Kenya, to Botswana, to Ghana, where they have either oil or gas or diamond or gold. That is what we need to be compared now with; with our size, far away from our markets. That is the reasoning, Mr Speaker, Sir. That is why I speak of *illettrés économiques*. Clearly, there is no conception of what economics is about.

Mr Speaker, Sir, at a time like this, they decided to abdicate their responsibility and resign. And I was not in the country. I have never heard of this! Mr Speaker, Sir, I heard various explanations of why they are on the other side now. Hon. Jugnauth has been fair to say that every time he asked for an appointment, I did give him. He was the Minister of Finance. But hon. Bodha also came to see me so many times with bright ideas, as well as hon. Soodhun, to tell me about his everlasting loyalty, that he cannot smell the hon. Leader of the Opposition. How many times he has told me that!

Mr Speaker, Sir, we don't have to be a rocket scientist to draw conclusions, because the conclusion is already in the answer, in the words of the former Minister of Finance. When he resigned, what did he say? That he is staying loyal to the Prime Minister; he has no problem with the Prime Minister! That they are going to stay loyal on the backbenches. They have asked the PPS, the Ambassadors and all the nominees to stay in place. He was asked a question by a journalist: what is going to happen now? And his answer is revealing: *la clef dans la main Premier ministre*. What key? I know I am the leader of the Labour Party, but what key are we talking about? It is clear, Mr Speaker, Sir. Had I intervened in the enquiry, fine, they would have come back, except - they had told me - for Mrs Hanoomanjee. They would have come back.

Mr Speaker, Sir, as I said, that was no time to abdicate their responsibility. From Ireland to Greece, from Portugal to Spain, in the U.K., governments have had to introduce highly unpopular austerity budgets to redress the financial situation, to calm the markets, to allay the concern of the rating agencies as well and to ward off the risk of default. All of them have been adopting severe and painful austerity measures, including drastic cuts in spending. As somebody, I think, from the MMM said: when you get into that position, when you have to do drastic cuts in spending, what does it mean? Public Service, the Health Service! These are where you feel the pain. And who uses them more? The poorest sections of society! They have had to even reduce salaries, slashing of jobs, and all of them have paid a heavy political price.

In Ireland, in Portugal, the governments have been voted out of power. In Greece, the Prime Minister has been shown the exit door; in Spain, only on Sunday, Mr Zapatero has stepped down and a new Prime Minister has been elected. The economic and financial crisis spread to Italy; the Prime Minister has had to resign. In France, Mr Speaker, Sir, the Minister of Finance was announcing the budgetary measures. In the middle of it, he decided to make some changes to calm the markets, because there was a risk of downgrading. During the Budget, he was correcting measures. And Mr François Fillon, the Prime Minister, has just announced a second raft of austerity measures in two months. Even the United States of America has been downgraded; the richest country in the world has been downgraded by the rating agencies.

Many governments have been forced to either renege their electoral pledges, and to maybe change their economic and social policies within a very short span of time, because conditions have changed dramatically; you have to adapt, you cannot just go on as you are. Mr

Papandreou, a socialist, elected to support the lower and middle classes, has had to introduce some of the most drastic spending cuts on welfare programmes in Greece. He has laid off thousands of workers; he has reduced the salaries of civil servants, pensions. Look at what happened in pensions in Greece! He has raised VAT on essential goods - not on any goods - and services. He has privatised many State-owned enterprises. Never heard of from a socialist Prime Minister! He has been forced to do so. It is not his fault. He inherited those situations.

Since a long time, Greece has been giving false figures and all those things. It is the same in Spain, Mr Speaker, Sir; from a socialist government again! In Portugal! The U.K. has brought the most austerity measures since World War II, and we can see the effects. President Sarkozy, Mr Speaker, Sir, had publicly stated that he would not increase taxes on the rich. He said 'no question!' He has had to make an abrupt U-turn and impose both higher income tax and higher corporate taxes to lower France's massive budget deficit. He has had to do it. Even these deep cuts and tax hikes are not enough according to the EU. It appears that more will be required to calm the markets.

Only last week, the Prime Minister, Mr François Fillon, announced a series of tax rises and spending cuts that go against what the French Government had stated it would do. They had said they would not do it; he announced it. We are talking about France! Worst, only two days after announcing a levy surcharge on stay at luxurious hotels, he has climbed down and announced the withdrawal of the surcharge. They announced it, and two days later they withdrew it. Some accused him of inconsistency, while others would argue that he had been realistic as the proposed measure would have affected tourism in France.

In June 2011, the French Parliament approved a plan to introduce a new tax on second homes in France. They realised that this would have led to thousands of foreign property owners in France paying thousands of euros more every year. When the Government realised the economic implications of the measure, it decided not to pursue the proposed tax. Had I done this here; resign! Even though the French Prime Minister had approved it initially, President Sarkozy had approved it, he came and said that he has been convinced that the law was a bad idea, and he has taken a decision to scrap it. Do you think it is easy? The same applies to President Obama. As a result of his high budget and external deficit and rising debt, he has had no choice whatsoever but to adopt policies that seem to show some political and ideological inconsistencies, from what he said when he was elected, from what he is doing now.

It appears, spending cuts on welfare programmes and extended tax relief for the rich, which he was dead against; he has had to extend the tax relief that was voted by the previous President Congress. He has had to extend the tax relief for the rich, Mr Speaker, Sir. Ask yourself why! Unthinkable during normal times for a democratic President of the United States of America!

The first policy U-turns by central banks in emerging markets have started already. Surprising everybody last September, one of the leading emerging economies, the Brazilian Central Bank, cut the Selic Rate, a sort of lending rate to banks by half a percentage point citing the gloomy outlook for the global economy, even if Brazil's consumer price inflation is 7.1% and food inflation is a rampant 15.4%. The German Chancellor, Mrs Angela Merkel has been repeating for months that Greece will be supported and there is no question of Greece being allowed to leave the Euro. Yet, last Monday, her economic advisers in Berlin were working on a plan for an orderly exit of Greece from Euro if they cannot do what they are supposed to do, simply because the facts and circumstances have changed and the situation in Greece is worse than was expected.

Mr Speaker, Sir, it is clear that the world economic situation has changed dramatically. There are certain economic facts that we cannot escape from. We have no influence on them, none whatsoever. But, we are subject to them. What we have to do is to be pragmatic, practical, nimble, flexible and agile in the face of global uncertainty and adversity. That is what we have to do and that is what we are doing, Mr Speaker, Sir. Rather than remaining inflexible and dogmatic just to score political dividends, we have put the interest of the country ahead of political partisanship and, as I say, we should not bury our heads in the sand, totally impervious to what is fast, a changing and distressing economic outlook. We have adjusted our policies, adopted new initiatives, and revisited our strategies to meet the changing challenges of the day. We could not persist with policies that were not delivering results, Mr Speaker, Sir, even if they were made in good faith, as I have said, with the best intentions of the world. We could not continue with them. Unfortunately, Mr Speaker, Sir, in the real world, good intention and good faith is no guarantee of success. If policies do not pass the test of economic efficiency and are acting against our economic interest, we have to rethink them, Mr Speaker, Sir. We are not the only country, as I said, to have revisited some economic policies in the face of this global economic and financial turmoil. Many well-intentioned policies have collided head-on with the

global crisis. The growth and employment equation is a cruel equation. No investment: no growth; no growth: no employment, generation lost for a decade for our youth, Mr Speaker, Sir. That is the cruel reality of youth.

It is time of disbelief also, Mr Speaker, Sir. Who would have thought that an emerging country like China would be by far the single largest lender of last resort to the richest country in the world, the United States of America? Who would have thought that? It is now being called upon to bail out both the Euro and Eurozone economies! Who would have thought that? Believe it or not, Mr Speaker, Sir, the French Government is giving red carpet treatment to welcome Chinese investments.

Only yesterday the former Prime Minister of France was on television saying that we have to ask the Chinese to invest in France. Here, when I asked the Chinese to invest, they say: 'Ah, he is giving land to China.' China bashing!

We are a small country, Mr Speaker, Sir. We have a very open economy, our fortune is inextricably linked to what happens in the global economy, whether we like it or not, especially we have a heavy dependence on the European countries. We have adopted, as I say, a pragmatic and responsive approach determined not for political reasons, but determined by facts and circumstances and in the best interest of the country.

As I stated earlier on, Mr Speaker, Sir, some of the measures announced last year have been adversely affecting the confidence in the economy. I mentioned the drastic fall of 69% in FDI and the relatively low level of investment from the private sector. Confidence was shaken. We all know that we need investment to sustain growth, to generate gainful employment and to broaden economic opportunities. So, we could not remain insensitive, Mr Speaker, Sir, to the effects of policy measures on economic fundamentals. As a responsible and responsive Government we will continue to monitor the economic situation. We will adapt and adjust as and when necessary to protect the interest of the country. As I say, Mr Speaker, Sir, these are exceptional times, we need to show exceptional responsiveness to safeguard and protect the economic interest of our country. It is abundantly clear that some of the policy changes introduced last year have created an impression of discontinuity and *rupture* in our economic strategy - *rupture*, I should say. We have restored our initial policy framework that has paid dividends and made its proof between 2005 and 2010.

Mr Speaker, Sir, let me now come to the budgetary measures. Let me refer to the lame explanation for the calamitous shrinkage of Foreign Direct Investment from 2010 to 2011. What is the excuse? That the Prime Minister's Office was blocking some of the projects! That is the great excuse! Let me inform the House, Mr Speaker, Sir, that when it comes to taking decisions regarding prospective investors, - and I said this to my Ministers all the time - I have given clear instructions that a proper due diligence exercise must be undertaken first. We do not want investors with suspicious backgrounds to come to Mauritius and to soil our reputation as a clean investment destination and jurisdiction.

Let me mention one such case of investors who benefited from a Red Carpet Treatment by some. Let me talk about this, Mr Speaker, Sir; chaperoned, taken to dinner in big hotels! This is a group which claimed, believe it or not, that they had eight billion dollars in cash which they wanted to invest in the country! They asked for appointments with different people, including the Minister of Finance. He was quick to meet them. Eight billion dollars in cash to invest! When I was told that they were asking for a meeting, my first question was, why the hell would somebody who has eight billion dollars of cash want to invest in Mauritius? Invest in Monaco! Why Mauritius suddenly? I asked for a due diligence to be made. I would not give an appointment without this due diligence. Mr Speaker, Sir, you have to be either terribly, excessively credulous or motivated by considerations that one can easily suspect to believe that some good Samaritans will bring a salvation by investing Rs200 billion cash in our country. That is why I refused to meet them until the due diligence process was done. If it was done, fine. You cannot 100% even then be sure, but, at least, you have done the process and, on doing so, Mr Speaker, Sir, let me say to you that I was told, in no uncertain terms – I will not go into the details because it is not right – that we should keep well away from these so-called investors. That is why, yet my decision not to meet the so-called investors was decried by many well placed individuals, as if I made the country miss 8 million dollars.

Comments have been made, Mr Speaker, Sir - I wasn't going to go into this because I think somebody else has mentioned it - on the financial performance of casinos. I think either out of bad faith or mental fatigue, it is good to recall – first of all, I myself said this, a long time back that Mauritius must be the only country where casinos are losing money. I myself said this; I accept it - that the financial mess in which the casinos find themselves today is the direct consequence of the price of the legacy of the decisions taken before we came into Government

between 2000 and 2005, the '*Dowarkasing raj*'. Casinos started registering ever increasing losses due to the weight of the legacy of the past and related staffing costs. Who recruited so many people in the casinos between 2000 and 2005? Who? Doing all this and then giving a 14 months' salary as well on agreement!

In 2008/2009, the losses were Rs16 m. rising to Rs71 m. in 2009/2010. But, under the last Minister of Finance in 2010/2011, these losses increased to – believe it or not – Rs138 m. more than the combined loss of the two previous years and almost doubled the loss of the previous year. That is what happened.

*(Interruptions)*

Remember the days, Mr Speaker, Sir, when some cronies were literally taking bags full of money; stacked with cash from the casinos, not to be deposited in the banks, but to be handed over.

There have been criticisms about some appointments. I agree, but, Mr Speaker, Sir, I have a responsibility too. Even when we take care, we know and I am the first person to agree - I said this, even when the MSM was in Government, I was saying it - some of the people who have been appointed, as if they have become themselves big lords; as if they are a lord to themselves. And we have acted upon them. I heard the former Minister of Finance talk about the appointment at the FSC, but he has to be honest to say that I did clear the name of the person a long, long time ago. In fact, I did ask him why he was delaying. I did ask him this question.

As for the ambassadors, Mr Speaker, Sir, to be frank – and I sympathised with him, I must say. You know when I have to take a blame, I will take a blame. I sympathised with him because I understand he is a partner in the Government. When it came to embassies, he was complaining. Maybe if I was in his place, I would have done the same. I had told him that I cannot give him UK, France, South Africa, Washington, New York and even India, I was telling at one point, I would rather appoint somebody I know, but I can understand that he was feeling a bit – even China he couldn't get. Eventually, I must agree because I had thought of somebody in mind, but I agreed. Alright! I can't just *accaparer* as he says, just one side. I said: alright, India is a big country; we have special relations with India, alright. And then, he chose somebody, who was a former ambassador, I think she was candidate at some point in the election, but who was an Indian national married to a Mauritian. I did ask him the question: Are we sure because India doesn't like to appoint Indian nationals as ambassadors? He said he was sure that she had

renounced the nationality. I also checked, I must say and it looks as if she had. We forwarded the name, but what can I do? India wants to make sure and they took a bit more time. I was a bit surprised myself to check whether that was possible or not. Eventually, they cleared it, but, unfortunately, they decided to resign. The time she reached there, she took her luggage down, she had to take her luggage back and come back again. In Malaysia, it was the same.

As for the Mauritius Duty Free, let us be fair! One to one, I spoke to the former Minister of Finance I just cannot put people whom I know what they are going to do. He wanted to appoint a person, I was reluctant - I agree - he came back to me: you are right to say, but you came back, you were feeling embarrassed yourself, you had to say the same thing; I was saying I want to wait because I wanted to check other things. That I agree. Eventually I said yes. You know what happened, Mr Speaker, Sir? I said yes. He cleared with me whether he can mention it in Cabinet on Friday. I am not talking of what happened in Cabinet on Friday. Fair enough! He will remember because I called him on the very day of the Cabinet meeting – Friday morning - and I said I am afraid that name is out. It cannot be. Why, Mr Speaker, Sir? Why would I do that with a partner? We have to be fair also. There must be a reason behind. You know what happened, Mr Speaker, Sir, I will tell you a story and you will laugh. He was already on the radio - I didn't know, I don't listen to radios – saying that he has been appointed. I was a bit surprised because normally you should allow Cabinet to approve and then you talk, but, anyway, he went on the radio apparently. But, because he went on the radio, somebody else rang me because he heard the name, who works in a hotel - I won't mention the name - one of the middle managers let's say - he said: "you know I find something very strange." I said: "what do you find strange?" He said: "You are naming this gentleman to the Mauritius Duty Free Paradise?" I said: "yes." He said: "Well, I just heard it on radio, but there is something strange here." I said: "what is strange?" He said he has personally contacted the hotel, invited people who are going to bid for the Mauritius Duty Free to come and see whether a deal can be made, apparently. I cannot allow this to happen, Mr Speaker, Sir. Let us be fair! That is why I did this. How can you do this? How can I allow this?

*(Interruptions)*

No, it is true. I don't want to go into details, but that is true, Mr Speaker, Sir.

*(Interruptions)*

**Mr Speaker:** Order, now!

**The Prime Minister:** This is mega vision for Mauritius Duty Free, Duty Free, Duty Free and Duty Free, Mr Speaker, Sir.

(*Interruptions*)

**Mr Speaker:** Order, now!

**The Prime Minister:** It seems that there is a great thing on whatever is free. Mr Speaker, Sir, already he is an adviser. In fact, I told him that and to others as well. He wanted to appoint Mr Dowarkasing as the Chairperson of the Gambling Authority, Mr Speaker, Sir. How can I allow this? We know in what context all this was being done. I don't want to go into the *illico presto* actions to appoint some people in certain institutions who earned the nickname of "rent collectors," Mr Speaker, Sir.

My Government is committed to set the base for high investment, high productivity, high efficiency and high technology as well as a high wage economy. These are not vain words that the hon. Vice-Prime Minister and Minister of Finance spoke of. The measures announced in the Budget go exactly in that direction in the context that we are living in. To name but a few, Mr Speaker, Sir, we have made available unprecedented resources to our promotion agencies to put Mauritius on the global map and to boost our investment and take our products where demand is. We will provide for better connectivity to the region and we are ensuring that our modern airport must become a new hub in the region. And it will become a new hub in the region. It will offer interconnection between Africa and the rest of the world. We will open up more economic space, divesting from some assets to redirect our efforts and improve facilities in the public.

Investing from some assets to redirect our efforts and improve facilities in the public and, I have said it, Mr Speaker, Sir, we cannot go on, year after year, subsidising lame ducks, Mr Speaker, Sir. It is public money and we have to take a decision. It has gone on for too long. We have announced a series of institutional reforms; they have already been listed by the Vice-Prime Minister and Minister of Finance in his Budget Speech.

Planters will save up to Rs287 m. a year through the merger of the cess-financed institutions by the Ministry of Agriculture. Planters will benefit from 70% discount on premium due for the 2011 to SIFB. This will reduce the cost per *arpent* by some Rs3,000. The full VAT refund on agricultural machinery, equipment and tools that they will purchase in 2012 will benefit some 23,000 sugar cane planters, some 6,000 of horticultural producers and some 5,000 animal breeders, Mr Speaker, Sir. The investment and incentives, including VAT refund in the

Fisheries Sector, will improve the standard of living of fishermen, enhance our quality of life, improve the environment, widen the choice of consumers, and will be of great value to the Tourism Industry. The budget for food security has been increased. I must say - perhaps some don't know - we are already self-sufficient in potatoes, we will be in garlic and onion hopefully but the budget has been increased to Rs150 m. - an increase of 50%.

The Office of Public Sector Governance set up under my office will assist public enterprises to improve governance - because every year we see what the Director of Audit says - efficiency services and cut out waste. This is not something that happens just in Mauritius. Yesterday, the former French Prime Minister was talking about waste in Government, in the public institutions. We are further consolidating our financial services sector, Mr Speaker, Sir, and we will uphold and consolidate our Tourism Industry to the three basic policies by readopting a three-pronged strategy focused on Attractiveness, Visibility and Accessibility.

Emerging sectors such as ICT, Knowledge Centre, Commercial Mariners, Film Industry, have been catered for and we have gone a long way to upskill our Human Capital and align to the needs of the nation. That is something that everybody says every year. I have heard it since a long time. But it is crucial that we have the skills that we need and we train the people here in Mauritius or we get Mauritians who are abroad, working for other countries, to come here, make it attractive. That is the key to our success. Mr Speaker, Sir, I have always maintained that the long-term sustainability of a country rests upon giving opportunities for the many and ensuring the participation of the largest number of our citizens in the economy. That is why the democratisation of the economy means multiplying the number of economic stakeholders. I have said it so many times; this was so distorted during the last campaign and this is where the Budget breaks new grounds for SMEs.

SMEs, as you know, Mr Speaker, Sir, every year, again, good intention - I am sure even the previous Government - but they face major constraints. First of all, lack of access to finance. It is a major concern. They lack skills, they have poor logistics and they lack access to markets and this Budget addresses all four constraints, I must say, in a bold and innovative manner. It is hon. Xavier-Luc Duval's ideas here to encourage entrepreneurship and deepen the democratisation process. He has negotiated with the DBM for the borrowing rates for the SMEs to be brought down to 8.5% as compared to 14.5%. This is a major step forward, Mr Speaker, Sir. It is not just the DBM, but all the banks. We are constructing an additional of 175 SME units

in industrial estates in various points in the country. We are opening up the market for SMEs to ensure that they are included in the short list of restricted bidding for procurement for up to Rs5 m. As he rightly said, very often, what happens. It is not just in theory, you have to look at the practicalities. Very often, somebody who wants to start a new enterprise, he has first of all the difficulty of access to finance. All these are the problems. Again, he also has the problem that he is not sure for the first month his business is going to start, he has to pay interest on its loan, how we will survive?

We are granting Rs20,000 a month to cover the living expenses when they start their businesses. At least, they know they have a fallback position. We have announced the complete abolition of Municipal Tenants Tax effective from 01 January next year. As the hon. Vice-Prime Minister and Minister of Finance said, it is an unfair tax, it is not paid by the landlords, but by the tenants, the very people who, supposedly, are tenants because they can't buy themselves and they can least afford to pay. Let me remind the House, Mr Speaker, Sir, that SMEs today contribute to 37% of our GDP. They employ some 250,000 men and women and, with these innovative measures, we will not only increase the number of participants in the SME sector, but this will also give a boost to the growth and, therefore, to the economy. We will also improve our connectivity to the region as it is crucial for internationalising our economy. At the same time, the Government wants to open up the economic space at home and continue with the reform of our institution. We must not forget, Mr Speaker, Sir, that we can only raise the standard of living of families if we have an economy that can compete in the modern age. As I have mentioned before, through the setting up of the National Resilience Fund, we are preparing ourselves for the worst scenarios by strengthening the resilience of the economy. We must be prepared, *gouverner c'est prévoir*. No one could have failed to notice the staggering amount of work currently going on across the country to modernise our infrastructure, be it at our airport, our road network. We must really be of bad faith not to see what is happening, all our technological infrastructure.

Mr Speaker, Sir, last year, we provided Rs11.9 billion. This year we are providing Rs21.2 billion for key infrastructure projects. It will provide employment, but will also be a major boost to the construction industry. I must say, Mr Speaker, Sir - perhaps these people don't realise - we have good ratings, we could have borrowed the money, if we wanted to. We have not used up all the borrowing capacities that we had. A lot of money is available for us to borrow, that is because we have the confidence of the big lenders. But what have we done? More than half of

the financing for these structures, that is, for the Rs21.2 billion, is being actually financed without borrowing a cent. We are doing it by our own; we could have borrowed and we are not doing it.

As I have always said, Mr Speaker, Sir, - and it is my deep conviction - economic growth means nothing if it does not involve and speak to the most vulnerable of our society. Economic growth can only be a positive development if, at the same time, you cater for the less well off, that is, those who are poor. Growth needs to be inclusive if it has to have any meaning at all. I must say, Mr Speaker, Sir, that some in the MSM have been campaigning - these kinds of campaigns quietly in the dark, what they call *réunion privée, comme loup-garou* - that this is a Budget for one community alone. I have just mentioned about the planters, but they are saying it.

(*Interruptions*)

In his party! Not the MMM! The MSM, I have said!

(*Interruptions*)

No, I know. We have records, if they don't.

(*Interruptions*)

**Mr Speaker:** Order!

**The Prime Minister:** They could not be more wrong! As I said, I have listed measures that we have catered for the middle class as well and the poor, if they don't know it, do not just belong to one community. There are poor in all communities and there are many reasons for poverty. You feel very hurt of what they are saying in these campaigns, because people are not just poor because of the style of living. It is a direct accusation on one community. It is not true. People are poor, they get into a vicious circle. There is not just one reason for poverty, and we cannot turn a blind eye to those who are at the bottom of the ladder. We have a moral obligation to help the poor, Mr Speaker, Sir. Unequal societies carry moral and social consequences and affect the way the economy is functioning, Mr Speaker, Sir, and rising inequality affects social cohesion at a time when we need unity. That is our strength, Mr Speaker, Sir, and one of the unflinching guiding principles of the Labour Party has been to lift people from the margins of the mainstream to the mainstream. This is precisely why in 2010, I decided to create the Ministry for Social Integration and Empowerment and I am glad...

(*Interruptions*)

...I named hon. Duval there, because you can see his passage there and the reflection on the Budget. Although, he has always been a caring person but you get to know the nitty-gritty when you are in the Ministry. I am proud, Mr Speaker, Sir, that this Budget rightly puts so much emphasis on the upliftment of those who are most in need and we have gone even further.

The Budget provides for children, for the young, for women, for those in need of medical help, for those in low cost housing and for the elderly. Let me just mention a few of these measures, Mr Speaker, Sir. For children, Mr Speaker, Sir, I would not go into all the measures, the hon. Vice-Prime Minister and Minister of Finance has already been through, but companies would be allowed to charge the cost of operating a crèche for the benefit of the lower paid employees and charge this to the CSR Fund that would considerably ease the life of working mothers and assist the others to join the workforce. 2,000 poor children - we are talking about poor children - will benefit from crèche facilities paid by the Empowerment Foundation up to a maximum cost of Rs1,500 per child per month. The pre-primary grant will be extended to three-year olds. It was four-year olds before. This will come to an additional 16,000 children; six sports scholarships will be provided to promising young athletes for training and coaching overseas and the living and coaching fees will be paid by the Trust Fund for Excellence in Sports during one year; 50% of the salary of athletes can now be charged to the employer's CSR Fund - all these to help the young in sports, Mr Speaker, Sir.

For women we have done lots of initiative but I want to mention one especially; the Minister of Finance has mentioned two, I think. We have a programme to empower vulnerable women through the small scale farming as well apart from the other things. As for medical help, this allowance given by Government for treatment overseas has more than doubled, as you know, Mr Speaker, Sir, Rs500,000 with immediate effect. What I find fantastic; nobody did it. We introduced it; I think hon. Dr. Bunwaree was the Minister. It didn't exist before; nobody had thought of it; we did it and we have now increased it to Rs500, 000. For the low cost housing, Rs200 per family per month will be paid for the operation of syndic in 41 NHDC estates inhabited by 6,150 families to improve the living environment and quality of life. This will cost the Government again, Rs15 m. per annum; Housing Development Trust which would be not for profit Trust will construct and operate housing estates for the low income groups. They will not be subject to VAT. That is what we have done; no VAT, no land conversion tax, no land registration duties. Look for whom we have taken all this away, Mr Speaker, Sir.

Furthermore, 2,000 families of the ex-CHA housing who cannot benefit from the facility given to them for the purchase of State lands on which they have a stand because they simply do not have the means - they do not have the means, they are sitting on State lands, they are poor people; 2000 families and they cannot purchase the State lands. So, how will they ever become owners of the land? Government has been granting their land for free to open up, break the shackles of poverty, Mr Speaker, Sir. The elderly, I have seen criticisms about, we should have done more, and beneficiaries for the Basic Retirement Pension would be compensated for the increase in the cost of living as from January. Monthly, BRP will go up to Rs3,350 for those aged between 60 and 89; Rs9,975 for those aged between 90 and 99 and Rs11,320 for centenarians.

Mr Speaker, Sir, lest we forget, this is at a time when powerful countries are slashing jobs, reducing wages, cutting down on social benefits, cutting down on pensions; we have granted an increase within 6.6 and 11.5 to workers in the low wage bracket.

Mr Speaker, Sir, the theme for this Budget is 'Growth for the Greater Good'. I cannot understand why the former Minister of Finance was saying that it should not have been growth for the greater good, growth for the fewer as if. We are aiming for inclusive growth, Mr Speaker, Sir, I have explained it. This will extend to our future generations. The vision of *Maurice Ile Durable* is precisely to make Mauritius a model of sustainable development, especially in the context of Small Island Developing States, Mr Speaker, Sir. In July of this year, the Government converted the Steering Committee on *Maurice Ile Durable* into a Commission which is now operating under the aegis of my Office in collaboration with other stakeholders and other Ministries as well.

The Commission is responsible for the finalisation of the Action Plan on *Maurice Ile Durable* and ensuring its timely implementation. It has produced through participative democracy, - we are inviting people and the approach is bottom-up - recommendations have been given which will form the basis of what I call the five Es; that is, Energy, Environment, Employment, Education and Equity. Mr Speaker, Sir, in this exercise, we have had the contribution of around 300 people from civil society, public and private sectors, NGOs and all this and academia, and here, I would like to pay tribute to all these people with special mention for the Chairpersons and vice-Chairpersons who altogether generously, put in more than 200 hours of their time to produce their reports without even expecting any remuneration. They have

done it for free. This is, indeed, a first ever such exercise in Mauritius which demonstrates solidarity, patriotism and concerns for generations - current and future.

These recommendations are now being transformed into an MID policy strategy and, more importantly, an Action Plan by a consulting consortium that will be funded by the *Agence Française de Développement*. I take this opportunity, Mr Speaker, Sir, to thank the AFD for their continuing support for the MID. I would also like to thank the EU and the UNDP for their support and gladly acknowledge the recent interest shown by the World Bank also to extend their support for the *MID* quest. As I said, several of the measures were enunciated by the hon. Vice-Prime Minister and Minister of Finance and Empowerment about these five Es forming the pillars of *MID*, particularly, Equity, Mr Speaker, Sir, because I personally added this because I have always believed that *MID* should take on board those who would have not had opportunities in the past, in their life, and who may have been left aside by changes that swift development always brings.

In line with the concept of *Maurice Ile Durable*, the Government is also putting in place a framework that will allow us to add value to molasses by converting them into ethanol that will be blended with gasoline and used in vehicles. I must say, Mr Speaker, Sir, here because that also I have heard criticisms that – “why is it not on at the moment?” There had to be study. The study has been conducted by the AFD. They have raised pertinent issues; there are some issues that they have raised. These have to be resolved before we move to the operational level and we are looking at those issues. AFD is further assisting us in evaluating the environmental benefits associated with the use of ethanol in our specific context, Mr Speaker, Sir. Our intention is clear. Our intention is to ensure that cane planters as well as consumers benefit in the process in line with our philosophy of democratisation of our economy. It cannot be the same people who win all the time, Mr Speaker, Sir.

Let me now come to the issue of Law and Order. That is an issue that all Prime Ministers get criticised upon. I would like to state, Mr Speaker, Sir, that since my first mandate, the protection of our citizens has been on top of the agenda of my Government and, I suppose, as any Prime Minister, we have to put security for the law abiding citizens of our country first, Mr Speaker, Sir. They have a right to expect that they are safe from those who may be tempted to prey upon them, the families or the wider community. My Government’s vision is free, fair but also, a responsible society. The policing environment and challenges that we are faced are

changing rapidly. The Police have had to adapt and respond to meet these new emerging challenges of the 21<sup>st</sup> century. Mr Speaker, Sir, let me say for those who say that there is no law and order, hon. Prime Minister. During my first term as Prime Minister, Mr Speaker, Sir, I was shocked to learn that there was not even an Automatic Fingerprint Recognition Computer System. Do you believe that Policemen in Line Barracks are taking fingerprints to see whether they compare. Modern country! Is this what modern development is about?

There was no Forensic Science Lab properly. Yes, but you have to put in the computer and not look in the light. That is what I am saying. There was no central line for emergency calls '999'. None! No Emergency Response Services, at all. This is helping a lot of people today. There was none; outdated equipment for the Police, no real basic and continuous training for the Police. They were training, but not in a haphazard way. If you remember we stopped training and recruitment. There was a reason for these. Why, I would not be happy to recruit, I don't know how many thousands of people? Because we were told that the training is no good. If you train these people badly - you know what they say about computers - they will perform badly. We want to change the Police Force into a Police Service.

Police reforms, Mr Speaker Sir, are critical. Status quo is not an option that is why my Government will continue this reform programme for the Police. As I always say, Mr Speaker, Sir, you cannot take a 19th-century solution to solve a 21st-century problem. We, therefore, need to ensure that our Police Officers have the required skills, the power, the tools that they need to do their jobs effectively and this has been the main thrust of our Police Reform Programme. And in line with the ongoing Police Reform Programmes, Mr Speaker, Sir, we launched the National Policing Strategic Framework in February 2010 which paves the way for a new management style in the Police Service based on six pillars: human resource management capability, intelligence led policing, community policing, achieving a human rights complaint organisation, permanent strategic planning capability and enhancing reactive capability. We are in the process, Mr Speaker, Sir, of implementing the National Strategic Policing Strategic Framework. We are investing heavily in the Police Force despite the difficult times and the prevailing circumstances, the Police have been well resourced in recent years to be able to meet the challenges of today. The total actual expenditure on the Police Department was Rs4.8 billion last year. The provision of this year is Rs5.6 billion. Hon. Bhagwan used to say sometimes there is no transport in the Police Station. Right, we have addressed the problem. We are

changing the fleet. In spite of already sorting to address the problem, we have increased the Budget to Rs5.6 billion. An amount of Rs6.5 billion has been provided for the fiscal year of 2012 which will be an increase of around 16% on this year's Budget.

Allow me to list out some of the measures we are implementing as other reforms process, Mr Speaker, Sir.

The acquisition of the twin engine Advanced Light Helicopter, Dhruv, which was in November 2009. This is to reinforce the fleet of the Police Helicopter Squadron for search and rescue operations. We have to be prepared for medical evacuation missions, anti-drug and anti-piracy operations, including armed Heliborn, which is an armed helicopter, Mr Speaker, Sir.

The installation of the CCTV surveillance system as a means to combat crimes in the following regions: Flic en Flac in April 2009, part of Quatre Bornes in 2009, Port Louis and Grand' Baie, I have just done it a few weeks back, in October of this year, and the CCTV surveillance system is being extended to cover Beau Bassin, Rose Hill, Curepipe, and other parts of Quatre Bornes.

The installation of a Coastal Surveillance Radar System in April of this year which provides round the island surveillance on a 24-hour basis of mainland Mauritius, Agalega, St Brandon against any illegal activities in our waters. If some of you get the chance to see it, it is very well-equipped; the minute a ship moves they can see, they can follow it, and they know where it is going.

The installation of Digital Radio Communication System in August of this year, again, to replace the old analogue system.

The implementation of the Crime Occurrence Tracking system which involves automation of old processes and the computerisation of the functionalities of the Mauritius Police Force.

The implementation of the e-Business Plan for Traffic Branch.

The expansion for the use of DNA testing and the constitution of a DNA database which will help us in the detection of crimes, Mr Speaker, Sir. We are also, in the process of acquiring a sophisticated Offshore Patrol Vessel which will cost us US\$58.5m. US dollars, that is, about Rs1.7 billion, Mr Speaker, Sir. But, this is being done under the line of credit from India and we expect the vessel to be delivered in September 2014. The need for an OPV is greatly felt and we did this before even the piracy problems were rising because we need to ensure the safety and

security of our maritime zone. Currently, the National Coast Guard does not possess an operational OPV which limits its capability, obviously to monitor our maritime zones. That also, I must say, Mr Speaker, Sir, is well armed.

For the coming three years, an extra amount of Rs1.4 billion has been provided for the purchase of further equipment for the Police. There is also the acquisition of an additional aircraft to meet operation demands and maritime surveillance, search and rescue, pollution control, anti-piracy operations and outer islands support. We will see what kind of aircraft we will actually buy.

The acquisition of a 10 fast attack Interceptor Boats, again to further strengthen the Marine Commando, anti-terrorism and anti-narcotic operations. We are also acquiring one water jet fast attack boat to enhance the capability of the National Coast Guard.

There is the acquisition of vehicles for Special Mobile Force and Special Support Unit. In the replacement - I mention this from the analogue 999 system - by a new Digital Emergency Response Management System that will increase efficiency. Provisions have been made - many Parliamentary Questions were asked -- I will not go through the details, but new Police Stations are being constructed in different parts of Mauritius and in Rodrigues.

Mr Speaker, Sir, my Government fully recognises that there is a need to continue professionalising the Police Force. Police Officers should have the expertise, skills, knowledge, to work smarter and more efficiently to meet the complex challenges of modern policing. We want the Police Force to provide an effective service. We are putting much emphasis on the training of the Police Officers. Opportunities are being offered to Police Officers for training both locally and overseas. Since 2008, a total of 9,385 Police Officers have followed training courses at different levels locally as well as the overseas.

Mr Speaker, Sir, if you remember, in September 1999, I introduced a higher professional education programme for our Police Officers by launching the Police degree course, namely the BSc (Honours) Police Studies, in collaboration with the University of Portsmouth. This programme produced a total of 314 degree holders who have been posted to strategic positions in the Police Force. In October this year, the Police Department entered into a new agreement with the University of Mauritius for the training of Police Officers in different fields. Over 6,000 Police Officers will be concerned with the training programme and the total cost will be Rs41.2m. over a period of five years. In order to ensure that the Police are adequately staffed,

2,076 Trainee Police Constables have been recruited since 2007 and we are recruiting an additional 800 Police Officers next year. This is also worthy to note, Mr Speaker, Sir, that reforms programme that we have been doing has started to yield positive results. The overall crime rate, believe it or not, - I am saying it clearly so you can hear it - has actually declined from 5.4% in 2007 to 4.1% last year.

*(Interruptions)*

But, as I always said, Mr Speaker, Sir, one crime is one crime too many. We are not the only country where there are crimes, but we have to address the problem and despite the fact that crimes statistics clearly indicate a downward trend in criminality, in general, there is – I must agree - a public perception that the crime level is going up in the country. This is in contradiction to the evidence because there are some crimes that are reported, which are very eye catching in the publication of these things. In fact, statistics indicate that the reported offences - I am excluding contraventions because this is different - have actually declined during the period 2009-2010 from 50,250 to 46,750, that is, a decrease of about 7%, as I said in this House.

Major decreases have been noted also in almost all the offences - 16% for theft, drug offences by 5%, homicides by 15%, fraud and dishonesty by 8%, assault by 25%, embezzlement by 7%, automobile theft by 15%. These figures speak for themselves, Mr Speaker, Sir. These are statistics; it is not me who prepared it in my Office. But, I must say that because of some of the horrible crimes that we see, we intend to strengthen the law. The sanctions will be even more severe for the abominable crimes.

In regard to the drug problem, our drug control strategy focuses on enforcement, prevention, treatment, and very importantly, rehabilitation. We are determined to reduce drug supply further through a coordinated response across the law enforcement agencies. We are providing the law enforcement agencies with the necessary tools to crack down on drug traffickers.

The repressive measures - if I may call them repressive - taken by the law enforcement agencies again are yielding positive results. The number of persons arrested in connection with drug related offences has increased from 1,504 in 2,000 to 1,899 in 2010 and 1,672 - the latest figure I have - up to October. Mr Speaker, Sir, this is because there is now more intelligence-led. We have contacts with other agencies abroad. When they are on the plane, we know they are on the plane already.

Large quantities of illicit drugs have been seized. For instance, this year, about 3.5 kg of heroin, 56 kg of cannabis and 15,592 tablets of subutex were seized for a total value of Rs102 m. Hon. Fakemeeah mentioned why we don't burn these drugs as we used to do before. I passed on this request to the Commissioner of Police and he's looking into it. Apparently, there was a reason why they stopped it, but he is relooking into this.

In the fight against drug trafficking, Mr Speaker, Sir, it is universally recognised that one of the most effective tools is the seizure of the assets of those involved in drug trafficking. In April of this year, the Asset Recovery Act was passed by this august Assembly. This piece of legislation provides a comprehensive asset recovery framework and legal procedure for the recovery of assets in order to reinforce the fight against crime, including transnational crime and to recover the proceeds and instrumentalities of crime, that is, ill-gotten gains.

The asset recovery mechanism will reinforce not only our criminal justice system, but also the whole justice system generally, in the sense that, in addition to the creation and prosecution of offences, the procedure of asset recovery will attack criminality at its main root, by discouraging people from committing crimes involving monetary gains given that whatever tainted property is acquired by them may be taken away from them even if there has been no prosecution. That took us a bit longer because of whether there will be prosecution or not. The Asset Recovery Act will be proclaimed in January next year, Mr Speaker, Sir. The Enforcement Authority established under the Act is under the Director of Public Prosecutions and will be operational as from January next year.

Once the Enforcement Authority becomes operational, the Drugs Asset Forfeiture Office will stop handling new cases of forfeiture, as provided under section 65 of the Asset Recovery Act. Other cases pending before the Drug Commissioner will be handled by his office until the completion.

Nowadays, Mr Speaker, Sir, more and more emphasis is laid on scientific evidence to elucidate crimes. In order to provide high standard of forensic services, the Forensic Science Lab has been reorganised and has been adequately staffed and equipped. A database has been constituted; a satellite laboratory has been set up in Rodrigues to analyse simple drug and liquor cases, resulting in an increase in the speed of forensic results for the court. Training in scientific skills was provided by the Forensic Science Lab staff by UK experts. In September of this year,

the Forensic Science Lab has been accredited ISO 17025 for DNA fingerprinting, alcohol level determination, identification of drugs such as heroines and cannabis.

Mr Speaker, Sir, the legal framework is continuously being reviewed to combat criminality in general. We will be introducing a Police and Criminal Evidence Act, the Courts Act, and the new Bail Act has already been read a first time.

Budgetary provisions have already been made for the acquisition of some 1,800 electronic bracelets along with the accompanying ICT network. Unfortunately, there's a whole network of ICT that has to be done.

Crime and drug abuse are matters of concern not just for the Government, but for the whole of the country, all the citizens. My Government is stepping up its fight against crime and antisocial behaviour. However, what the law enforcement agencies can achieve depends not only on the professionalism, the dedication of their officers, but also on the support they enjoy from citizens who share the commitment to keep the country safe and secure.

Mr Speaker, Sir, just a few words on the Prisons Service. We will continue with the reforms that we have already initiated to secure humane custody of offenders and their eventual reintegration in the community as law abiding citizens. Physical infrastructure in the existing prisons is being upgraded. A special prison for women has been constructed at Barkly to cater for 12 female detainees in need of special care and treatment. A Day Care Centre has been set up for babies living with their mothers at the Women's Prison. A Dental Unit has been set up at Beau Bassin Central Prison. The security in the prisons has been enhanced by procurement of new security equipment. CCTV surveillance system is operational at Beau Bassin Central Prison, Grand River North West Remand Prison, New Wing Prison of Beau Bassin, and the Phoenix Prison. Provision has been made for the installation of the CCTV system at Petit Verger Prison, Women Prison of Beau Bassin, the Correctional Youth Centre and the Barkly Special Unit Prison for Women.

The communication system has been enhanced with the introduction of digital radios. Provision has been made in this Budget; Rs5.7 billion have been budgeted for the acquisition of new security equipment. To ease the pressure in existing prisons, a new High Security Prison is being constructed at long last at Melrose to cater for 750 detainees, having a Project Value of Rs1.731 billion, Mr Speaker, Sir. Work has already started. We expect to be completed in April 2013. Emphasis is also being laid on rehabilitation of the detainees, Mr Speaker, Sir, because we

need to enhance the detainees' skills, so that they can find employment on their return to society. As part of the rehabilitation programmes, literacy and numeracy courses, education and vocational training are being provided to detainees with the assistance of Government Departments and Non-Governmental Organisations. Spiritual courses are also being offered by appropriate organisations.

Also, Mr Speaker, Sir, preventive and rehabilitation programmes are being provided to address the problem of substance abuse and the proliferation of HIV/AIDS in the prisons. Since 2005, some 6,200 detainees have participated in these rehabilitation activities. My Government will set up the rehabilitation programmes, literacy and numeracy courses to be provided to detainees with the assistance of Non-Governmental Organisations and other voluntary organisations.

In July of this year, Mr Speaker, Sir, the University of Technology, in collaboration with the Mauritius Prisons Service and the UNODC, conducted a national workshop on the subject of 'Incarceration & Recidivism: Perspectives and Challenges in Mauritius'. The draft report will be validated with the stakeholders this very month, and the current rehabilitation programme will be reviewed in the light of the recommendations emerging from the workshop.

The Ministry of Social Integration and Economic Empowerment is also working on projects, in collaboration with NGOs, to provide support to former detainees upon their release, and additionally the Ministry has commissioned the National Economic and Social Council to carry out a study on social integration of stigmatised and vulnerable groups, including former detainees.

Further, Mr Speaker, Sir, upon my request, the UNODC has agreed to provide assistance for the development of a strategic framework for the Prisons Department, including, as I said, rehabilitation and treatment intervention programmes and re-integrative planning for detainees.

Mr Speaker, Sir, since I mentioned AIDS, it is the vision of Government to have a Mauritius with no new HIV infection occurrence - it's very difficult, but that is the target - and where people who already have HIV are sure to get the best treatment, care and support, and respect for their human rights. We will pass Bills in that respect for people who are getting married. Under the leadership of the National Aids Secretariat, we have had a multi-sectoral approach to tackle the problems. One of the priorities of the HIV response is to mobilise resources to prevent new infections. In this regard, Government has increased - every year we do

that – the budget to fight against it. An amount of Rs68.5 m. has been provided for the financial year of 2011 and in this Budget, we have provided Rs85 m. In addition, in 2009, the Global Fund agreed to provide funding to the tune of Rs326 m. to support the Government in the HIV and AIDS implementation of its national strategic framework for the period 2010-2014. A sum of Rs124 m. has been disbursed already by the Global Fund.

A national HIV and AIDS policy has been developed for the country and has already been validated. The overall goal of the National Policy on HIV and AIDS is to provide for a framework for leadership and coordination in a national multi-sectoral response to their HIV and AIDS epidemic. Mr Speaker, Sir, Integrated Behavioural and Biological Studies have been carried out among various population groups. Results from these studies have enabled the National Aids Secretariat to establish baselines and set targets for various interventions. That was lacking a long time back, Mr Speaker, Sir. There was no baseline, there was no target. Those studies will be repeated now every two years among the *Most At Risk Populations* to see whether we need to correct our strategies. A *Knowledge, Attitude, Behaviour and Practices Study* among the population in general in Mauritius is in progress and results are expected to be available by the end of December and this again will guide us in our future strategies.

Mr Speaker, Sir, the Government places high priority on the fight against HIV and AIDS. Much progress has been achieved in reaching the goals to be set out in the National Strategic Framework 2007-2011, but we are determined to set up the fight against HIV and AIDS.

Mr Speaker, Sir, there is also the project of the construction of a New Terminal at the SSR International Airport. As Members know, it is currently in progress and it is expected to be completed by September of next year.

A project for the construction of a parallel taxiway is also being implemented. The construction of this taxiway will be instrumental in minimising the runway occupancy time, thus increasing its capacity. It will also facilitate landing of aircrafts and will be able to accommodate A380 aircrafts. In addition, in the event of major disturbances at the airport which may cause the runway to become temporarily out of service, the parallel taxiway will be used as an emergency runway. Improvement works to the existing runway have also become a necessity and is being done. The existing Cargo and Freeport facilities at the airport are showing - because we are developing space constraints and this, as you know, is a barrier to development.

In view of the fact that traffic forecasts predict an increase in airfreight volume over the coming years, it has become essential to expand the existing facilities. In this respect, an area in the south-eastern part of the airport has been identified for the development of a New Cargo and Freeport Zone. The ultimate objective, Mr Speaker, Sir, is to provide an appropriate platform to give a boost to airfreight traffic at the Airport. The detailed design for the project has been carried out by the German firm, Lufthansa Consulting Limited. A promoter will now be selected to carry out the development while infrastructural facilities will be carried out by Airports of Mauritius Limited.

Mr Speaker, Sir, the trade and commercial prosperity of our country depends, to a large extent, on the air and the sea transport sectors. That is why Government will continue to invest massively in the development and modernisation of the Port and Airport.

Regarding the port sector, Mr Speaker, Sir, the Government is in the process of identifying a strategic partner for the Cargo Handling Corporation Ltd. The objective is to transform Mauritius into a container trans-shipment hub. On the other hand, the Mauritius Ports Authority will embark on an ambitious project for the upgrading and extension of berths at the Mauritius Container Terminal. It will cost us US\$ 124 million. The Port will also invest heavily on the purchase of floating crafts which will continue to contribute towards further enhancing the quality of services being provided. That is also going to cost us a lot of money, Rs550 m.

Mr Speaker, Sir, just a few words on road safety which remains a priority for the Government. The special Road Safety Management Unit operating under my Office has adopted an integrated approach in its task of coordination all road safety activities. The main objective, Mr Speaker, Sir, is to have an effective road management team which will work on measures for the promotion of road safety. The measures being implemented to include public awareness, sensitization campaigns, improvement in physical infrastructure with the construction of new and better roads, installation of pavements, street lighting, traffic lights, underpasses, overpasses, Belisha flashing lights at the pedestrian crossings along classified roads and installation of digital cameras to discourage speeding. The legal framework is also being revisited and amendments to the Road Traffic Act are being finalised for the introduction of the penalty points system under which road traffic offenders will be sanctioned not only by fines, but also by penalty points which may lead to disqualification of the licence of a driver. I saw an article in “*L’Express*” this morning that we are not going to do it. We are going to be on time; we are going to do it and it is

going to be introduced next year. It's no big deal, Mr Speaker, Sir. This exists in other countries. Why is it that suddenly it is going to be different in Mauritius? People want to slow it down; we will not slow it down. It will be done. It will happen. You know, Mr Speaker, Sir, people don't realise and I say it to Mauritians in general. The use of mobile phones while driving is a real, real danger. So many accidents are happening because of mobile phones, Mr Speaker, Sir. You know they say that if you use a mobile phone while driving, you are five times more likely to have an accident. As the hon. Leader of the Opposition said the other day, people continue to drive on the right, this will be addressed. We are buying 50 motorcycles precisely to sanction those who break the law on our roads.

Emphasis is also being laid on the need to review the way people drive, Mr Speaker, Sir. Driving is not just holding a steering wheel and knowing how to use the pedals, Mr Speaker, Sir. Some people think that's what it is. You must know how to control your vehicle. Special Road Safety Unit at my Office is working on the project of setting up a Driver Education and Training Centre in Highlands to provide for systematic training, education programmes, designed to improve road users' skills and will not just be car users or motorbike users; it will be buses, lorries, pedestrians, cyclists. Everybody will go through it to promote responsible attitudes and behaviour among drivers. The ultimate objective, Mr Speaker, Sir, is to ensure safe driving by drivers and riders.

The project will be implemented on a public-private partnership basis and some twenty *arpents* – I think I have mentioned this - have already been earmarked for this. A pre-feasibility study and specifications for the appointment of a consultant for the project is currently being finalised and we expect the project to be completed by 2013.

Mr Speaker, Sir, let me say something about consolidation of democracy. Mauritius is highly acclaimed as a model of democracy and I hope will continue to be acclaimed in spite of differences that we have. It is very important, Mr Speaker, Sir.

On numerous occasions, I have affirmed the commitment of my Government to move ahead with the proposed reform of our electoral system as enunciated in the Government Programme 2010-2015 to consolidate democracy. I know the hon. Leader of the Opposition is smiling because he does not believe that I am going to do it. Forty-four years after independence, Mr Speaker, Sir, it is really time for us to engage in a process of self-examination so that we see what we can strengthen in our democratic set-up and to ensure that the system

meets the exigencies of a modern and forward-looking nation. I met Professor Carcassonne twice already. During his short visit to Mauritius he wants to get other information. Following discussions with him, a team of experts two other eminent international constitutional experts have been constituted to look at it. They are making proposals for the reform of our system. I don't know what they are going to say, Mr Speaker. I don't think anybody knows.

The terms of reference of the team are to make proposals for reform for our electoral system with the objective and stability and to ensure an effective government fairness, diversity and gender balance. I am expecting the team. They have confirmed to me that they will submit the report before the end of this year. We will examine the report, Mr Speaker, Sir. Maybe we won't like things to be like this, we cannot say for sure, but we will have to examine it and in the light of this, we will have to move forward, Mr Speaker, Sir.

I am not going to read all of this, Mr Speaker, Sir, but I want to say a word about visa and residence permit users. Mr Speaker, Sir, in line with our vision to make of Mauritius an international hub for tertiary education, the criteria and procedures for application of student visa has been streamlined so that we can attract more international students. In September of this year, new and comprehensive guidelines were issued to make provision to allow full-time as well as part-time foreign students to come and pursue their studies in Mauritius in the reorganised tertiary educational institutions or in technical or vocational education training institutions. Now, the processing time for the determination of applicants for student visa, we felt it was too long, it has been reduced. It has also been decided to allow foreign students to undertake part-time work in Mauritius. The operators in the tertiary education sector will be encouraged to bring in more foreign students which will enhance our competitive edge in this sector.

Mr Speaker, Sir, with increasing globalisation, an increasing competition, Mauritius needs to adapt its visa policy to attract more international businesses, investments and tourists. We are, therefore, streamlining our visa regime by relaxing requirements for genuine business persons who will be granted multiple entry visas valid for a period of two years. This will avoid them the hassle to apply for a visa each time they travel to Mauritius. In addition, visa requirements for short stay for businesses or tourism purposes in respect of holders of passports of a number of countries, not all countries, including those from the African continent is being relaxed. They will not require prior visa before undertaking their travel to Mauritius as in certain cases the visas will be exempted – are exempted in any case – and they will be granted, if need

be, a visa on arrival. This measure is in line with our commitment to further enhance the ease of doing business in Mauritius and to attract as well more tourists from different countries.

In addition, in order to attract foreign investors and Hi-Net professionals, the Permanent Residence Permits Scheme will be implemented. Relevant regulations have been finalised and will be amended to grant a permit valid for 10 years to eligible investors, professionals, self-employed, non-citizens or retired non-citizens who have completed three years of the occupational permit or residence permit. As an incentive, they will also be encouraged to purchase one flat or an apartment for personal residence in building not less than three storeys.

Mr Speaker, Sir, I should say that the setting up of the Competition Commission was part of a wider set of measures taken by Government to modernise the economic infrastructure of a country, together with measures to improve the business environment and to attract vital Foreign Direct Investments to competition law and shows that our scarce resources are used in the most effective and efficient manner. They have just started but they have had 70 enquiries, 10 investigations into suspected cases of restrictive business practices from different sectors and the impact from the Competition Commission interventions, I must say, are substantial already and the estimated benefits from one – just one of its interventions – exceeds Rs20 m. per year.

Mr Speaker, Sir, let me now come to fraud and corruption. I would like, at the very outset, to reaffirm most emphatically and unequivocally the commitment and determination of the Government to continue our relentless fight against fraud and corruption. We will continue to provide ICAC with all the necessary means to enhance its effectiveness and to discharge its function. I recently reminded the House that a considerable amount of energy and resources have been deployed by many Members of the House, including those in the Opposition, in putting in place the Prevention of Corruption Act and in making the ICAC operational. I reiterate my appeal to all Members to show the same commitment in the fight against fraud and corruption and allow the ICAC to discharge its functions in all serenity.

We must bear in mind, Mr Speaker, Sir, that the fight against corruption again is not the fight just for the Government; it is the fight of all the citizens of this country. For the year 2012, ICAC has set its priority objectives: prevention of corruption, full systems, enhancement and education, reinforcing fight against corruption for a more effective use of media and mass communication, implementation of anti-corruption framework in public bodies, enhancing systems and people integrating the public and private sectors, also with the professional body,

education sector and strengthening community vigilance in the fight against corruption. The funds provided in this Budget will enable the Commission to continue to spearhead its anti-corruption efforts through a holistic and integrated approach. In terms of achievement, this year, Mr Speaker, Sir, the Commission provided assistance – this is not known generally in the public – to eighteen public bodies in establishing their own anti-corruption infrastructure and developing anti-corruption strategies. There is no point for me to list these bodies. It conducted some 16 workshops for public bodies and has some 52 sensitisation programmes and 76 sections on empowerment programmes with the different components of the society. An Inter Integrity Club Artistic Competition was also organised among 30 schools.

Furthermore, Mr Speaker, Sir, the Commission conducted corruption prevention reviews in four public bodies and also some 133 recommendations have been made when they look at the public sector. These recommendations provide the concerned sectors of the crime institution with a range of measures, guidance and best practices to enhance their governance framework. A corruption risk management guide has also been developed to assist management of public bodies in connecting their own corruption risk assessment.

As regards alleged acts of corruption and money laundering, Mr Speaker, Sir, the Commission received a total of 1,399 complaints, as compared to 1,315 last year. The number of cases reported is on the increase. This to me shows a growing public confidence in the ICAC and the willingness of individuals and public institutions report in any suspected case of corrupt practices. As at date, Mr Speaker, Sir, 479 new cases have been subject to preliminary investigations, well beyond the target of 450 set for the current year. A total of 79 cases have been completed and sent to the DPP. 51 cases have been lodged before Court. 18 conditions have been secured. 133 cases are still pending before the Intermediate Court and they have targeted even more preliminary investigations next year, Mr Speaker, Sir.

Mr Speaker, Sir, Government aims at heightening the vigilance of the public against the evil of corruption. We need to change the mindset of some people and instil a culture of integrity in the nation. Our stand and determination have triggered a general conscientious in the public for increased mobilisation and intolerance towards corruption. Come what may, we will remain steadfast in our commitment to root out this scourge from our society. No one whatever his status, should consider himself above the law and think he can get away with ill-gotten and goods. When it comes to fighting fraud, corruption and drug-trafficking, we will pursue the

objectives we have set and never bend the rules and never retreat, Mr Speaker, Sir. Just a word on two more subjects, Mr Speaker, Sir, I think I mentioned already that we have transformed the former Management Audit Bureau into the office of Public Sector Governance and they are getting results already.

I now turn to equal opportunities and human rights. Action is being taken on several fronts, Mr Speaker, Sir, to instil a human rights culture among all the sections of the population. A three-tier approach is being adopted, covering legislation, policies and training. The legislative and institutional framework is being reinforced with the full-fledged Equal Opportunities Commission. This will provide, as I said, for an appropriate legal protection to ensure a fair and just treatment to all Mauritians.

Mr Speaker, Sir, I have, on several occasions, responded to criticisms addressed regarding the delays and the proclamation of the legislation and equal opportunities. I explained that after careful consideration, we are changing it and we are coming with the best possible organisation in order to maximise the benefits for all Mauritians. I must say the hon. Leader of the Opposition was of that view when we were passing the legislation. He did mention it and we have to accept it and I think on looking back, this is what we need, otherwise he might not have the effect that we want it to have. It has to stand on its own.

Furthermore, the National Human Rights Commission will be revamped to provide also for Police complaints and other mechanisms, Mr Speaker, Sir. Our deepest respect for democratic institutions requires a constant benchmarking on the best legal policy and training practices in human rights. Mr Speaker, Sir, in parallel we are doing other things. Action Plan and Women Rights will seek to adjust the Government policies and programmes in order to again create the appropriate human rights climate conducive for economic, social and cultural development.

We are collaborating with others, the National Human Rights Commission, the International Organisation and NGOs. In a similar vein, we are partnering with the Commonwealth Secretariat in order to integrate human rights with a curriculum at secondary education level. I wish to underline the fact, Mr Speaker, Sir, that Mauritius is one of the few countries in the world which voluntarily submitted a Mid Term report in respect of the Universal Periodic Review to the United Nations Human Rights Council in February of this year. The

report was prepared in consultation with all stakeholders and appropriate monitoring is being done to ensure that rights are respected in accordance with conventions and treaties.

Mr Speaker, Sir, I just want to say one thing more, because what we see with climate change, disaster management is an area that needs to have our full attention. Every year, we have floods, earthquakes, hurricanes, other natural occurrences occur over the world, billions of dollars of economic losses, hundreds of thousands of deaths and many people are left homeless. Some countries are now experiencing the most expensive and deadliest natural disasters in their history and climate change is clearly part of this. Natural disasters, as you know, Mr Speaker, Sir, can strike at any time and almost any place. It does not matter whether you are a rich country or a poor country; you have no control on the occurrences of these disasters.

Therefore, Mr Speaker, Sir, we are now increasingly focusing on preparedness and mitigation measures for effectively dealing with natural disasters. There is an urgent need for preventive activities to reduce loss of lives, damaged property, infrastructure and environment as well as the social and economic disruption which are called the natural disasters.

Mr Speaker, Sir, Government is leaving no stone unturned to address the concern of disaster management. One major achievement has been the setting up and operationalisation of a Natural Disaster and Operation Coordination Centre at the Line Barracks, this was not so before. The Centre is under the operation command of the Commissioner of Police. The NDOCC now constitutes a national platform for coordinating efforts of various agencies in dealing with mitigation and relief. When there are difficulties in other islands including Rodrigues, they will be involved in that disaster management.

Mr Speaker, Sir, I need to point out that during my official visit to Réunion Island in January of this year, I visited the *Centre Opérationnel de la Préfecture de la Réunion* and solicited assistance from the French authorities in matters of disaster management. A working group has already been established between Mauritius and the Réunion Authorities to exchange views and to share experiences. The Réunion Authorities have made a series of recommendations in the report on *Expertise de Sécurité Civile* and their recommendations relate, *inter alia*, to the establishment of a legal framework for the effective management of major disasters.

Following my official visit to Réunion Island, the French Authorities have agreed to provide the services of an expert of *Météo France* to advise Government on the technical

specifications of a weather radar to be purchased for the Mauritius Meteorological Services. I must say, Mr Speaker, Sir, in the past there was a suggestion that we don't need a radar with a satellite, but some people say it might be better to have it. Anyway, the expert has already submitted his report, but I am glad to inform the House that the Government, in parallel, we were talking to some people in Government in Japan and they have responded to our request and will now provide us this equipment under its grant aid programme. So, it will cost us nothing, because it is quite expensive.

As the House may be aware, over the past years, we have also had seismic tremors in the West Indian Ocean region. Details obtained from the Mauritius Meteorological Services indicate the occurrence of such frequent tremors along the Mid-Indian Ocean Ridge. A few of these tremors were less than 300 kms off the Island of Rodrigues and their magnitude ranged from between 4.6 to 6 on the Richter scale. Given the relatively frequent occurrences of these tremors, it is imperative to secure the services of an expert to carry out a risk management exercise in the light of their findings and to make recommendations. I am pleased again to inform the House that the French Authorities, after my visit to Reunion Island, have also agreed to provide the services of an expert from *le Département de Sismologie de l'Institut de Physique du Globe, Paris*, to carry out a risk assessment exercise on the occurrence of these frequent seismic tremors along the Mid-Indian Ocean Ridge and also, importantly, not far from Rodrigues.

One last thing, Mr Speaker, Sir, concerns the Exclusive Economic Zone of the Republic of Mauritius stands, as we all know, an area of 1.9 million sq kms and provides Mauritius with a huge maritime zone to manage. This coastal and ocean territory holds an immense potential for the development of Mauritius and will play a vital role in the economic development of the Republic of Mauritius.

Mauritius occupies a strategic position in the Indian Ocean and has the potential to play an important role in marine scientific research in this region. In March of this year, the United Nations Commission on the limits of Continental Shelf conferred upon both Mauritius and Seychelles jurisdiction of an area of 396,000 sq kms of extended Continental Shelf in the Mascareigne plateau region over which the two countries exercise sovereignty rights jointly for the purpose of exploiting the seabed resources.

Mr Speaker, Sir, this was not easy. Seychelles was not too keen on it and we would have had then to go to the United Nations Commission, it would have taken a long time, we know what happens when there are these kinds of disputes. But I talked to President Michel and now this has been achieved. This is a significant achievement for both Mauritius and Seychelles as it is the first joint submission made to the United Nations Commission by two small Island States anywhere in the world. The Commonwealth Secretariat which assisted us and Seychelles all throughout is now quoting to other countries the success of their claim as an example of what can be achieved when you trust your neighbour and you have a mutual cooperation with your neighbour.

In view of the significance of the extended Continental Shelf for the economic development of both Mauritius and Seychelles, it has been decided that the agreement will be signed in March next year in Mauritius by the heads of Government of both countries in the presence of the Commonwealth Secretariat. We will be signing it next March.

Mr Speaker, Sir, there is one thing that I need to say while speaking about oceans, that potential resources are mostly untapped. Our ocean territory is seen as the next frontier on our economic development. In this regard, the Mauritius Oceanography Institute has initiated a prospection study to assess the potential of isolating bioactive compounds from marine organisms that have a curative effect on cancer cells. In this context, a chemical lab facility has been put in place to undertake appropriate research. As to date, 25 extracts have been identified that show positive results in cancer cell treatment. The process for the isolation is under way.

In addition to our vast ocean territory, the islands of the Republic of Mauritius are surrounded by rich coral reef system and it is an important protection to our coastal zone, Mr Speaker, Sir. For this reason, the Mauritius Oceanographic Institute has embarked on a research project to look at the rehabilitation of our lagoons and results are, I must say, so far encouraging.

Mr Speaker, Sir, I just want to add that Mauritius continues to actively defend the right of Mauritius to effectively exercise its sovereignty over the Chagos Archipelago and Tromelin. As hon. Members know, we have initiated proceedings against the United Kingdom under the United Nations Convention on the Law of the Sea to challenge the legality of the so-called 'marine protected area' which the United Kingdom has purported to establish around the Chagos Archipelago. The African Union, through our lobby, and the Non-Aligned Movement have

reiterated their unflinching support for the sovereignty of Mauritius over the Chagos Archipelago, including Diego Garcia.

The African Union Summit and the Non-Aligned Movement Ministerial Conference held earlier this year have resolved to fully support other measures that may be taken by Government to protect the legitimate rights of Mauritius under international law with regard to its sovereignty over the Chagos Archipelago and its territorial integrity. We had to make the move that we made, we had results but we continue, because it is a battle that will never end until we get satisfaction.

As regards Tromelin, Mr Speaker, Sir, Government looks forward to the entry into force in the near future of the agreement reached between us and France on the co-management of the island and its surrounding maritime areas. The problem is that in France they need to have special laws.

This agreement has been concluded without prejudice to the sovereignty of Mauritius over Tromelin and we intend to pursue our effort for the eventual settlement of the sovereignty issue as early as possible.

Mr Speaker, Sir, in shaping our Budget, we have always pursued two aims: the first is to focus on the fundamentals that will guarantee the economic success of our nation in the future and to build on the foundations of our earlier economic reforms and the second is to set policy such as to support the population and the economy through the near term in what are clearly very difficult times. In other words, we seek to promote long-term growth, short-term support, reduced volatility and these are sound macroeconomic principles and they are enshrined in the Budget. It is through pursuing these principles throughout my time as Prime Minister that we find ourselves in the situation we are. The world is beset with very grave economic worries, we have made economy resilient. Being a small island, as I said, we are inevitably affected by these developments. There is much to worry about in the world economy at the moment, yet, despite this, I think we can be cautiously optimistic for Mauritius. We have already weathered the storm of the great global recession relatively well. The policies we pursue and that articulated in the Budget lead me to expect that we will again, even if the world economy knows a downturn, we should be able to weather the storm.

Given the current anxieties that beset the world economy, it is important to realise the challenges that Mauritius faces. These are testing historical times. Economies need to be flexible,

as I said earlier, Mr Speaker, Sir. They need also to provide insurance against potentially disastrous outcomes. Good fundamentals - skills, investment, a sensible allocation of capital - good institutions - a collaborative approach to growth, a focus on genuine productivity, jobs and social inclusion - and above all, flexibility, insurance and support will be key to weathering any future storms we may travel through together. Our growth like that in the world economy was adversely affected by the great global recession. We were resilient. We managed to mitigate the effects. We only suffered a growth recession. We did not suffer a recession. It is also clear that growth expectations and the challenges of growth are going to be different as we move forward as a result of this crisis.

Mr Speaker, Sir, there are many reasons why today Mauritius has weathered the financial crisis well. A key one has been our control of public finances. As we can see in the case of Greece, Italy, insufficient attention to the level of government debt and the fiscal deficit have been at the root of their recent economic problems. Sometimes I hear Members saying: 'well you could have done this or that', but you have to look at the whole picture. And we need to be able to sustain what we are doing, Mr Speaker, Sir. It is for this reason that we have successfully maintained our level of debt at 54.2% of GDP and a budget deficit of 3.8%. These are not problems that we can overcome just through deficit backed spending like some people are suggesting. Any suggestion that this is the way forward, that is, deficit backed spending is simply irresponsible and misconceived. Letting public finances deteriorate only postpones and increases the scale of the problems countries face. It is the politics of escapism to pursue that option and we have seen the results in Greece and Italy, as I have just said.

What is essential is growth and jobs - that is the enduring way to achieve economic success and to navigate through the current crisis. That is why this Budget, Mr Speaker, Sir, has so many measures based around growth and as the hon. vice-Prime Minister and Minister of Finance said: not just growth, but growth for the common good. We have achieved a small increase in government expenditure but, more importantly, we have altered the balance of that more of our expenditure is an investment and more of it occurs in the short run. With the world economy slowing, we need to provide the support that is viable in the long run.

Mr Speaker, Sir, further we have taken tax measures to stimulate investment - it was essential - and encourage entrepreneurship through the elimination of taxes on dividends. We have also taken a number of measures that will directly affect businesses. For example, we are

focusing on the Board of Investment. There is a new professional there who is working, he was there before. Further efficiencies and improvements will enable businesses to do what they are good at, that is, doing business. Our success both short run and long run depends on encouraging good business practices and letting business get on with business, as I have just said, Mr Speaker, Sir.

I need to also say, Mr Speaker, Sir, that we have achieved economic success through a harmonious relationship with business and a supportive role in allocating resources and encouraging growth. It is striking, Mr Speaker, Sir. Really, it is striking how the Western world is now realising the importance of government and business working together and promoting the genuine growth and jobs based on skills and long-term commitment rather than for credit led growth emanating from the financial sector.

Mr Speaker, Sir, the modernisation and development of Rodrigues figure high on the agenda of the Government. Projects like the upgrading of the airport, the Port, the road infrastructure are ongoing. The laying of a submarine fibre cable to link Rodrigues to Mauritius is indeed that all the Members acknowledge ground-breaking measure that would enhance considerably the ICT infrastructure and provide new job opportunities for the young in Rodrigues at their doorstep.

We are also giving an additional boost to tourism in this sector with the decision to subsidise the air fares to Rodrigues until December of next year from the National Resilience Fund. The Ministry of Rodrigues and the Private Parliamentary Secretary are working very closely with the Regional Assembly for the sustainable development of the island and the well-being of all inhabitants.

M. le président, nous avons présenté un budget responsable répondant aux attentes de toutes les composantes de la population et en essayant de nous protéger de la crise mondiale qui nous guette. Ce gouvernement a été responsable et solidaire avec la nation. En 2005 et en 2010 la population nous a fait confiance et nous avons le devoir de continuer à honorer cet engagement que nous avons pris pour un meilleur avenir pour une Ile Maurice pour tous. Nous ne sommes pas de ceux qui mettent leurs intérêts avant ceux de la nation, qui ont essayé de faire un chantage honteux pour essayer de pervertir nos institutions....

*(Interruptions)*

A ceux qui ont la mémoire courte, je rappelle ceci, il ne faut jamais l'oublier, nous avons en face de nous des personnes qui quand elles étaient au pouvoir ont fait dissoudre un organisme qui luttait contre la corruption en moins de 24 heures en amendant la constitution....

(*Interruptions*)

Cela n'a été jamais vu dans le monde. En ce qui nous concerne, nous sommes résolument tournés vers l'avenir d'une Ile Maurice prospère pour tous.

(*Interruptions*)

C'est un fait. Il n'y a pas lieu de brailler, c'est un fait. En 2015, quand nous reviendrons .....

(*Interruptions*)

C'est une fausseté ? Ils ne l'ont pas fait? Qui avait fermé l'*Economic Crime Office*?

(*Interruptions*)

Pourquoi est-ce qu'il l'a fait? Dis-nous pourquoi tu l'as fait?

(*Interruptions*)

**Mr Speaker:** Order now! Order!

(*Interruptions*)

**The Prime Minister:** Le *Leader* de l'opposition avait voulu une garantie constitutionnelle et il a fait amender la constitution en 24 heures. En ce qui nous concerne, M. le président, quand nous reviendrons vers la population pour un nouveau mandat, et je n'en doute pas, vous allez voir, *raklé ki zott pu gagné zott pou koné*.....

(*Interruptions*)

Allez-y, je les attends....

(*Interruptions*)

Je les attends de pied ferme et je sais ce que je vais faire !

(*Interruptions*)

**Mr Speaker:** Order!

**The Prime Minister:** Vous croyez que l'ancien...

(*Interruptions*)

**Mr Speaker:** Order please!

**The Prime Minister:** Je ne sais pas s'il est encore *leader* ou pas du MSM, il croit que nous sommes déboussolés, vous allez voir! Vous allez voir ce que les petits partis vont souffrir dans cette élection quand elle va venir.

(*Interruptions*)

We are fearless and we do not fear them, Mr Speaker, Sir!

(*Interruptions*)

But have patience, it will come...

(*Interruptions*)

**Mr Speaker:** Order!

**The Prime Minister:** It will come! Do not worry. The law is coming.

(*Interruptions*)

**Mr Speaker:** Order now!

(*Interruptions*)

**Mr Speaker:** Order, order, please!

**The Prime Minister:** They have wanted elections since the day they lost the election. On the very day he loses the election, he wants new elections.

(*Interruptions*)

**Mr Speaker:** Order, order!

(*Interruptions*)

**The Prime Minister:** Every year it is the same, *disque rayé, ek sak fois to gagne...*

(*Interruptions*)

**Mr Speaker:** Order! Order now!

**The Prime Minister:** The Budget of 2012, Mr Speaker, Sir, is about “Growth for the Greater Good”. It reflects our philosophy, ambition and special consideration that we have for our less fortunate compatriots. It is a Budget that will prepare the country not only to face the looming threats from the global economic turmoil, but also for the opportunities of the future. It is based on the strength of our economy and its people. It is, Mr Speaker, Sir, a responsible and prudent Budget, well balanced in its approach and it seeks to promote growth and spread prosperity. We have all along been guided by our core values of fairness and opportunities for all.

Social development and solidarity have remained and will always remain at the heart of our development paradigm. These are the reasons why the Budget has been widely acclaimed by all credible observers and stakeholders and the population at large except the doomsayers. We

have confidence in our country. Strength, Mr Speaker, Sir, is the future of this country. Through this Budget we have made our choice to continuing building the future.

It is my steadfast conviction that regardless of gender, creed, ethnic origin or class, each Mauritian citizen has the basic right to citizenship with dignity. My Government's economic and social model will mobilise all creative energies towards the establishment of a model innovative and entrepreneurial society where unity, equity and solidarity prevail.

Let me conclude, Mr Speaker, Sir, by these words of the former US President, Abraham Lincoln, which I find particularly apposite for this occasion -

“The dogmas of the quiet past are inadequate to the stormy present.

The occasion is piled high with difficulty, and we must rise with the occasion.

As our case is new, so we must think anew and act anew”.

Mr Speaker, Sir, no political leader can afford to let his country escape its future. The Government is blazing the trail for many, many generations to come.

I thank you, Mr Speaker, Sir.

(7.02 p.m.)

**The Vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval):** Mr Speaker, Sir, it has been a long day and we are not finished yet for tonight, so I will not be too long. I am just going to take some of the points which have been raised and do a summing up.

Firstly, I would like to thank you also, Mr Speaker, Sir and your Deputy for the wonderful way that you have presided over the sessions, which were sometimes quite unruly. Thank you very much, Mr Speaker, Sir, and special thanks to the hon. Prime Minister. As I have said it before, it has been a fascinating three months for me at the Ministry of Finance. I felt it a true privilege and an honour for me to be able to present this Budget. I have a special word of thanks to the Prime Minister, who participated throughout in the Budget process. I must say, Mr Speaker, Sir, that I actually enjoyed our many meetings around the Budget and I was able to benefit from the wisdom of the Prime Minister and his vision. He has demonstrated, Mr Speaker, Sir, such an openness of mind - I have told him that before - and a generosity of spirit that I find truly exceptional in a politician. I'll like to say that again.

Mr Speaker, Sir, it is a Budget that leaves no one behind. It is a Budget for all the people of Mauritius, for all the 1.3 nearly million people living in Mauritius from about three months old to a ripe old age.

Mr Speaker, Sir, let us remind ourselves that it is a first time in a very long time that salary compensation has been so well accepted in the population and by the workers themselves. I would like to thank the trade unions and my colleagues who participated in the process. I was happy to chair the process. We ended up, Mr Speaker, Sir, with a salary compensation of about Rs460 per month for the great majority of the workers in Mauritius compared to last year about Rs190 only, with all the troubles that we had about decoupling the private sectors from the public sectors, all the problems that we had to face and we have avoided all these, Mr Speaker, Sir. We have had industrial harmony and peace throughout the country.

Mr Speaker, Sir, we have also given unheard compensation of 11% to the very poorest of our society earning Rs3,000 and they have been given Rs330 monthly compensation. But, we did not stop there. We could have stopped there, and said okay, that's enough. In this Budget, Mr Speaker, Sir, we have also provided through Government, the national pension contribution and the TUB through Government paying these two. We have contributed another Rs120 to the pay packet of these same people, Mr Speaker, Sir. That amount will no longer be deducted from their monthly salary, Mr Speaker, Sir. This means that the same people to whom we gave Rs330 as salary compensation will get another Rs120 for the total amount that they are getting, that is, Rs450 per month compensation, and this payment by Government.

There is one thing I must say and I am really upset about this. I don't – it is a shame that hon. P. Jugnauth is leaving – like people misleading the old. It is been bandied around all over the island about the fact that pensioners have not been given full compensation. That is simply not true, Mr Speaker, Sir. We have given them full 6.6% compensation on their pensions, Mr Speaker, Sir, for inflation. What we have not been able to do, is giving them the additional amount to take them up to Rs330 that the lower paid workers are compensated. That is creating confusion in the old age pensioners, Mr Speaker, Sir, and this is not nice because some of them are asking: are we really not getting any compensation? Or are we getting full compensation? And this is not right. They are not young people, but old people. They don't fully understand the old age compensation and what is happening. I want to set the record straight, we are giving a little bit more than full compensation for inflation to all pensioners, Mr Speaker, Sir, and to all

persons who are getting social aid in Mauritius. This is absolutely the truth. I regret the fact, Mr Speaker, Sir, that some people are misleading pensioners. As the hon. Prime Minister said: if we want to distribute wealth, we obviously need to create wealth. We cannot distribute what we do not have. It is obvious and it seems that not everybody understands that.

Another common fallacy that I'll talk about, Mr Speaker, Sir, is the fact that sometimes people miscomprehend between high tax rates and high tax receipts. The two are not always the same. It is not when there is a country, which has the highest tax rate that we have the highest tax receipts. In fact, Mr Speaker, Sir, history will tell us exactly the opposite as far as taxation is concerned. When hon. Sithanen reduced corporation tax in 2006 from 25% to 15%, you would have expected that the tax receipt would have fallen. In fact, the opposite happened. Mr Speaker, Sir, if you take tax received from corporation tax in 2001, it represented 1.2% of GDP that is when, corporation tax was at 25%. When corporation tax was reduced to 15%, total receipts increased to 2.4% of GDP, that is, Mr Speaker, Sir, an increase from only Rs1.5 billion in 2001 to Rs6.2 billion in 2007/2008. This demonstrates clearly, Mr Speaker, Sir, that when you reduce taxation, provided you do it properly, instead of your total tax receipts falling, total tax receipts increase, Mr Speaker, Sir. Corporation taxes, Mr Speaker, Sir, rose from 8% of total tax revenue in 2000/2001 under the MSM/MMM Government to 15% last year, although, as I have mentioned the rates were much lower.

Now, we come to the Capital Gains Tax saga. This is why I have introduced what I have just said, Mr Speaker, Sir. The naked truth, Mr Speaker, Sir, is that the imposition of Capital Gains Tax last year has had a disastrous consequence on estimated tax receipts from land transaction in 2011. Mr Speaker, Sir, according to the Budget estimates, we were meant to receive Rs3 billion on taxes on land transactions in this year. We only received Rs2 billion. The shortfall of Rs1 billion far outweighed any marginal benefit that this increase in Capital Gains Tax was supposed to bring. So, you see, Mr Speaker, Sir, if you overtax a sector, this is what happens. Before, there was too much tax on whisky and everybody was looking for bootleg, contraband whisky. It's the same thing. If you overtax land transactions, either people try to undervalue, or they just don't engage in land transaction. That has had not only consequences on government receipts, but also consequences on the construction sector which, as the hon. Prime Minister has said, has fallen drastically this year - we will come to that later. So, never confuse total tax revenues and tax rates, Mr Speaker, Sir. The higher tax rates are, sometimes the lower,

the receipts. This is, in fact, what happened in the 1980s, when the tax rates were brought down from about 75% to 35%, with a resulting economic upturn.

Of course, this Capital Gains Tax - I am sure Hon. Li Kwong Wing will agree - has destroyed our reputation overseas, because, in Mauritius, never before had there been Capital Gains Tax. We were promoting Mauritius for 20 years, 30 years as a jurisdiction with no Capital Gains Tax and, suddenly, this was imposed, and there has been a disastrous effect overseas. I don't think my predecessor could have predicted - if he was fair to himself - that FDI would fall by 70% in the first quarter after his budget. It is a huge amount, that is a great fall; 70%. I don't have all the figures, but in the second quarter in 2011, it fell again. After 70% in first quarter it fell again by 45%, Mr Speaker, Sir.

Private investment in 2011, excluding residential, was only Rs36 billion. It is taking us back to the pre-2007 years. We were really falling back about five years, Mr Speaker, Sir. Construction activity registered a downturn of 4.3% in the first quarter, and 6.2% in the second quarter.

Mr Speaker, Sir, *c'est clair qu'on allait vers la faillite*, and we couldn't continue on that road; we had to change. Whatever you will call it, when something is bad, when a bad decision has been made, it has to be corrected, because the Government's ultimate objective is to create jobs and increase real wages. We all know, Mr Speaker, Sir, that, if you want jobs and prosperity, you need growth.

Growth brings jobs, Mr Speaker, Sir. But what brings growth? Investment brings growth. If you don't build the industrial premises today, if you don't buy the capital equipment that you need today, you will not get growth tomorrow. So, job needs growth, growth needs investment. And what do you need to have investment? You need capital. Every country needs that. Even China cannot escape the fact that you need capital; local capital, local investment, overseas investment. It all needs capital and we need, therefore, to encourage growth in capital, Mr Speaker, Sir.

So this Budget tries to get us back on the right track, which is so essential for our country, especially, as the hon. Prime Minister explained so well, in the face of such a difficult overseas situation, where our markets are cutting down the growth prospects drastically for next year. In the face of that sort of situation, Mr Speaker, Sir, we have to make sure that we restore full confidence in our own country, and that we have all the requirements locally, so that the private

sector can invest, government can invest, and that we have the right sort of tools to go outside and market, in order to actually get the most FDI that we can.

Mr Speaker, Sir, as the hon. Prime Minister said - and I'll talk about that - we have no lessons to learn from anybody in the Opposition. Mr Speaker, Sir, even before my Budget Speech, people were talking about *marge de manoeuvre*; '*il y a une grande marge de manoeuvre*', and you know Duval can do almost anything', because the situation was so good. That was forgetting, Mr Speaker, Sir, the terrible experiences we've had in government with my predecessor; the terrible experiences hon. Mrs Bappoo had with my predecessor. She just wanted 20 meagre Child Protection Officers. It was not going to bankrupt the country. You cannot increase the staffing without the permission from two Ministries, as you know, Mr Speaker, Sir. You cannot do it without permission from the Civil Service and you cannot do it without permission from the Ministry of Finance. Whether you have savings elsewhere, as in the Med Point saga, you still have to come to the Ministry of Finance to reallocate your savings to something else. So, saying that there was savings elsewhere is just fooling around. They could not do without the permission of the Ministry of Finance and that was not given; that was refused. So, where was the *marge de manoeuvre*? For the children of the country dying, being abused, there was no money and, suddenly now, just because he is gone, there is plenty of money! How can that be?

Another experience, Mr Speaker, Sir, is hon. Aimée who went through a very bad period. He - I think rightly - needed to increase the number of District Councils, because for almost half of Mauritius - the north - there is one District Council and, obviously, it does not make sense. They give a bad service, and there is no proximity with the very people they are meant to serve. Hon. Aimée at that time wanted Rs200 m. to be able to fund his three District Councils. Do you know what was the reply given? You can have your Rs200 m., but each Ministry will need to cut from their budget Rs10 m. to finance the three District Councils. So, the Ministry of Health would have had to cut, the Ministry of Education would have had to cut, the Ministry of Agriculture would have had to cut, the Ministry of Social Security would have had to cut; all these people would have had to cut. Everybody would have had to '*serre ceinture*', so that we could have the District Councils. At that time, there was no *marge de manoeuvre*, obviously. Otherwise, I am sure my predecessor would not have said such a thing. So, Mr Speaker, Sir, it is

a fallacy to say this is a *marge de manoeuvre*. The situation is difficult, and we have done the very best we could in a difficult situation.

Mr Speaker, Sir, hon. Li Kwong Wing has been going on and on about indirect taxation, how unfair indirect taxation is, how terrible it is to change VAT, how unfair it is to tax people like this, and that we have so far direct taxation - which is income tax - rather than VAT. But he is forgetting - I think it was before he joins politics - that it is his own party that introduced the sales tax at 8%; it wasn't us. Sales tax, that is, indirect taxation was introduced by the MMM some time back. But, to add insult to injury, it was the MMM which, after VAT was introduced, increased VAT from 10% to 12%, and then the next year 15%. So, a 50% increase in indirect taxation. If he has any '*ligne de conduite*', how can he join a party like that? Every week, going on and on about indirect taxation! He can't be schizophrenic Mr Speaker, Sir. Either you accept that you introduced indirect taxation, you increased it to 15%, and you shut up, or you say you don't agree with it and join something else. But you cannot go on and on like that. It's getting tiring. Every week, I am answering questions on this.

It was important that I dealt with the indirect taxation issue. It is a choice to have a low direct taxation and more tax on consumption. That choice was made primarily by the MMM themselves and that has been kept and, as orators before me have said, we have not increased VAT *malgré* the difficult situation. It would have been the simplest thing to do overall.

The legacy of the previous government; they think that we should move out and let them come in, because that would be the best thing for the country. *Non, non, non! Pas du tout! C'est bien le contraire!* It's true! If you look at the figures - it is public figures - 35,000 people lost their jobs in the EPZ à une vitesse vertigineuse, the then Minister was saying, as he was campaigning for his nomination overseas.

Mr Speaker, Sir, public debt has risen astronomically. Now, it's down to 54% and we have taken the commitment to bring it down to 50% in a few years. It's on a downward trend. One of the few countries in the world that can actually boast of such a reasonable public debt, Mr Speaker, Sir, and that is falling. The hon. Prime Minister said 70%. In fact, we have to reinstate it, it will be a little less, but still much more than now, and much more than the actual figure that the hon. Leader of the Opposition quoted when he was making his speech.

Annual growth: 2% in tourism! That is true, Mr Speaker, Sir. But, why? They should ask themselves why, Mr Speaker, Sir, because today they are criticising the money that we put in in

overseas promotion. It is good to know that during the years 2000 and 2005, the main reason of the slump in the growth rate of tourism was a chronic lack of money to promote Mauritius, Mr Speaker, Sir, and we are not going to make that same mistake. When they left in 2005 with 2% average rate, two years later we were to 14%. So, there was something that they were doing wrong, Mr Speaker, Sir.

Same as *l'état d'urgence*, *M. le président, qui n'avait d'égal que leur incompétence*. *L'état d'urgence*, Mr Speaker, Sir, threw away, 'monte lor pié' as soon as we took over, because we brought the right policies and the unemployment rate of 9.6% which they created at the time is down to 7.8% despite all the troubles that we are seeing, Mr Speaker, Sir.

Mr Speaker, Sir, this Budget seeks to boost up investment, reduce bureaucracy and boost up new sectors. We are confident, Mr Speaker, Sir, that we can get the film sector going because we have a good package and we are working on it and we will be done with it before the end of the year.

We are also hopeful - that it is more difficult - to bring marinas safe, because it needs a huge investment, but if we can get a few of the marinas in the areas already suggested by a report, that will transform those areas of the country and it will transform, Mr Speaker, Sir, the tourism product in Mauritius. But to do that we had to restore confidence and according to André Bonieux of Pricewaterhouse Coopers, Mr Speaker, Sir, he said that confidence was fully restored in Mauritius. That was last week.

Mr Speaker, Sir, if you understand business you will understand that business is demand driven. SMEs it's a different case, but generally speaking, business is demand driven. If I believe there will be tourists coming to Mauritius, I will be in the hotel. If I believe there is demand for textile goods, I will be in a factory. That is what happens. You have demand, you have investment, you can create the best conditions in the world, the highest tax rates; if there is no demand then you will not get any investment.

The Budget, Mr Speaker, Sir, gives special attention to demand and this is why we have created not only sufficient funds in the different promotion agencies, but we are creating a buffer. It's not, as they would say: to go and '*amuser dehors*'. Not at all, Mr Speaker, Sir! And that was not nice what was said before. It is, in fact, to keep in as a buffer because if in a difficult situation where there will be pressure on demand for our goods in Europe and elsewhere in the next year, where there's going to be this pressure on our goods, it is important that

Mauritius keeps a proper war chest that we will use so that our promotion agencies can go and penetrate Africa, can go and do work in India, in Asia and in China.

We should never forget, Mr Speaker, Sir, that Europe is our main market - I will come to that in a moment. It was a shame the way that Europe was disregarded, especially by the tourism sector over the tenure of hon. Bodha there.

I think that point about boosting demand has not been well understood because when I look at some of the concerns that have arisen around the country, people think we have not done enough to boost the export sales. We have done very much, Mr Speaker, Sir, because we are going to invest in a promotion of these sales. We can't go ourselves and make these T-shirts and these hotels rooms; we can't go and do the services ourselves. We can't subsidise them, but we can, Mr Speaker, Sir, help to promote them and that is what we are going to do.

Let's come to tourism, Mr Speaker, Sir. It is undoubted in my mind that it is *au tourisme où il y a eu plus de gâchis*. I mean that because I was there and I know very well what I left. I left an industry that was at the top, Mr Speaker, Sir, an industry that has the greatest ambition, the greatest trust in itself *et dans l'avenir*. That is no longer the case, Mr Speaker, Sir. That is a shame because tourism will bring you Rs42 Billion this year. We could have done much more, Mr Speaker, Sir. Again, they brought tourism back to what it was during their tenure 2000 to 2005.

Mr Speaker, Sir, it is good to know that for our biggest market in France, there were no public relations, that is, no office of the MTPA; no PR Office for six months of this year. That's our biggest market, it brings a third of our tourists. In fact, 300,000 tourists come from France and there was no office there doing any promotion.

As I said, for six months there was no office and for eight months there was no promotion of Mauritius done by the MTPA at all, Mr Speaker, Sir. And, you wonder why we are not doing well?

India is doing well. But, Mr Speaker, Sir, same thing, no promotional activity in India from January to September 2011. Why? We have to ask them what happened. Why was there nothing done? The Budget was there, the money was there. In fact, the money is being returned to the Ministry of Finance. Why was there no promotional activity? The same thing for the Middle East, Mr Speaker, Sir! For some reasons there was a lot of hoo-hah in China. That was the only market we worked at; the rest were just left by themselves.

Mr Speaker, Sir, we end up *avec un secteur malade, un pays sale, des chiens errants partout. Que doivent penser les visiteurs de nous* when they come around and they see this mess, this dirt, rubbish everywhere, dogs running around and dogs biting people?

*(Interruptions)*

What is this, Mr Speaker, Sir? We are a tourist destination. If you go to Switzerland, do you expect to see that? If you go to Canada, to decent places, do you expect to see that? Seychelles is not like that. Rodrigues is not like that.

*(Interruptions)*

It's like that in Mauritius. It was allowed to deteriorate, Mr Speaker, Sir, by the previous Minister of Tourism and that is why we are allocating money and if there is need for more money, we will put more money because we cannot allow our country, Mr Speaker, Sir, to become a *poubelle*. This is not what our vision for the country is.

Mr Speaker, Sir, we talked about big industries and the need to rebuild confidence. As for the SMEs, I think no Budget has ever done as much for them as we are doing today. In fact, Mr Speaker, Sir, DCDM, the biggest accounting firm also in Mauritius, BDO, has called it a Marshall Plan for SMEs in the time of Roosevelt. A Marshall Plan, because we are tackling the real problem of SMEs, that is, access to loans. I have explained this and I won't go through it again, but sometimes, I think, hon. Li Kwong Wing does not quite understand. Any company can access without going through Government, Mr Speaker, Sir, with a fall of a third in interest rates from 14% to 8.5% and the cancellation of a large number of charges associated with the loans. Mr Speaker, Sir, not only are we doing that, we are giving 175 new industrial premises at 50% subsidy.

For the small planters, Mr Speaker, Sir, we have not just made vain promises but we have put real money in their pockets. VAT refund on equipment, increase in productivity will mean reduction in prices to consumers. Introducing a new freight rebate scheme which is new because not only is it 25% subsidy on the freight, but half of that refund, will go to the producer himself and half will go to the exporter. This year also we will encourage the producer to produce more, Mr Speaker, Sir, and all the small breeders and all fishermen will also benefit from this VAT refund. Perhaps, I should explain, quickly how it will work. In fact, we know, in Mauritius, *les petits planteurs*, the breeders and the fishermen are registered. They will have to register, not for VAT, but they will have to inform MRA of their illegibility for this scheme. Once they inform

the MRA, every three months – we haven't quite finished the scheme yet – they submit a list of the equipment that they have purchased and the VAT that they have paid and we will refund them the VAT paid, Mr Speaker, Sir. Obviously, MRA will reserve the right to check where they think that the information is not absolutely accurate.

Mr Speaker, Sir, why are we doing that? It is because we need to increase productivity. It is important that you have productivity. If you take one gardener and give him a *cisaille* to cut the lawn, he will take one week maybe. If you give him a bush cutter, maybe he will take half an hour. Capital is important. It is not right to say that small planters should not invest. Of course, everybody needs to invest. You need to invest in capital to be able to be productive; that is part of the problem. Never before has any Government given a refund on VAT for equipment. Why are we giving VAT refund? It is good to know. Most people don't need VAT refund because they are making chargeable supplies, that is, chargeable to VAT. They charge VAT on the products that they sell and they claim back VAT on their inputs. But planters, Mr Speaker, Sir, who are producing vegetables and fruits, etc., these are not vatable. So, all the inputs that they are having, they have to bear the 15% VAT. They cannot claim it from anybody. From next year, Mr Speaker, Sir, we'll be refunding. It is going to cost us a bit of money. I think it will cost us about Rs70 m. But we will refund to the small planters, to the small breeders, to the fishermen any VAT that they spend on productive equipment that they buy. This is to encourage them and to reduce the price of productive equipment that they buy by 15%. Government will bear that Rs70 m., but, at the end of the year, we have to have a more productive and capital intensive agricultural sector, Mr Speaker, Sir, and that is the point of doing that.

Mr Speaker, Sir, for the small planters, we are putting money in their pockets, especially for sugar producers because we have calculated that if you take into account all the announcements made in the Budget regarding the SIFB premium insurance, premium regarding what you can do for fair trade and they cost us Rs300,000 per Federation regarding VAT refund, the money saved on cess, etc.

Revenue received from the tonnage sugar will increase from Rs12,435 to a whacking Rs17,165. That is, an increase of Rs4,730 per tonne from the measures announced in the Budget, an increase of 38% for small sugar planters and that is a substantial amount.

Mr Speaker, Sir, let us talk about *la classe moyenne*. All that we have done for SMEs benefits *la classe moyenne*. The abolition of Municipal Tenants Tax benefits *la classe moyenne*.

Duties on shoes, on motorcycles and mopeds, not to mention the perfumes, Mr Speaker, Sir, all that will benefit everybody. There are more than 65 measures in this Budget which directly benefits *la classe moyenne* and that is because everybody we believe should benefit from the Budget.

Income Tax, Mr Speaker, Sir, is not only one of the lowest rates in the world; it is also applied, it is one of the lowest percentages of the working population. In fact, Mr Speaker, Sir, only 67,000 people pay income tax in Mauritius. 67,000 people out of the workforce of more than 500,000! So, Mr Speaker, Sir, only 12% of the working population actually pays income tax. They are the richest people who pay income tax. So, the working class, the middle classes, many of them do not actually pay income tax. If they do not pay income tax, how can we reduce income tax? It is a fallacy, Mr Speaker, Sir. There is a lot we need for everyone, Mr Speaker, Sir.

We are giving this year, substantial tax breaks for middle income house buyers. With the middle income housing scheme, you can buy houses up to Rs2.5 m. The promoter can buy the land without paying Land Transfer Tax, without paying Registration Duty and he will sell it the same way and the first time buyer will be fully exempted from registration duty. This is a scheme for people buying houses up to Rs2.5 m. All the expenditure on education that we are making, all the expenditure on the justice system, Mr Speaker, Sir, will benefit middle income earners and everybody.

As far as the health service is concerned, what have we tried to do? We tried to do one measure hit three targets. The first target is to give patients' choice. The patients will have the choice to choose his medical practitioner, which medical institution he wants to go to. The second thing that this measure does, Mr Speaker, Sir, is to reduce pressure on public health services, long queues that you have and the overuse of some of the hospital facilities. That can all be relieved when some people use other facilities. Of course, we do need to boost our medical hub because that is one of the areas that we have actually identified for the future. So, what have we done, Mr Speaker, Sir, is we have allowed people who anyway have about Rs300 or less deducted from their pay packets monthly, it is deducted now and it is paid over to the National Savings Fund. When you are 60 or maybe by the time you reach it, it will be 65, if you are still there at that time, the NSF will refund you the money that you paid with interest, etc. Some people don't earn that much that they can save that much forcibly or they may wish to

have a better health now rather than wait to have the money at the age of 65; maybe they will not get there. So, what we are saying, Mr Speaker, Sir, it is an option. It is nothing unconstitutional, it is nothing like that. If you wish to go on as it is, fair enough. You continue with the NSF. If you wish to have that money and with Rs300 we have calculated you can just make it to a modest medical health insurance. Obviously, you may have to top it up maybe Rs100 or a bit more. It depends on what you want. But if you top it a little bit or maybe if you just add money, you can have the comfort of private medical insurance, the comfort to have an operation when you like, the comfort may be of using a private doctor. These things you can have at no cost either to Government, either to the person himself. We thought that was a great idea and this is why, Mr Speaker, Sir, as from 01 January, people will be allowed to have their NSF contributions paid by the NSF to any insurance company of their choice so that they can avail themselves of the comfort of the private medical health and private medical insurance. This will also, Mr Speaker, Sir, as I mentioned, help for the medical hub to make of Mauritius a true medical hub and that also goes in the same reason we have removed VAT on cosmetic surgery. That was another measure that was introduced last year which we have taken out this year because it was not appropriate to do so.

Mr Speaker, Sir, for education which is important for everybody in this country, the capital budget is Rs950 m. this year and on top of that Capital Budget – I think there was some misunderstanding, people thought we were just giving Rs500,000 to each school and not having a proper Capital Budget. The Capital Budget is Rs950 m. and on top of that, Mr Speaker, Sir, we are giving a cheque of Rs500,000 to each PTA under the control of the Ministry of Education so that each Parent/Teacher's Association can get together and decide on what sort of improvements to make to the schools. We have all been to schools where the gate is hanging, there is a window broken. There is some sort of problems that cannot be solved. The ground is not right, etc., there are things to be done, it needs to be painted, etc. This will help every single school in Mauritius apart from the smallest. I will look forward, Mr Speaker, Sir through this measure which will cost us Rs150 m. to get a far better, cleaner, and healthier school environment, Mr Speaker, Sir, looking to future generations, we have given the grant to the pre-primary schools for the 3-year old now, which was 4-year old before. I am very happy, Mr speaker Sir, to have been able to increase for the 2,000 children going to the Special Needs

Schools who, by definition, require special attention. I am very happy to have been able to increase it by 25%.

As far as this Summer School Programme is concerned, there were some comments made about the Summer School Programme and, Mr Speaker, Sir, this is not being run by the Ministry of Finance. We don't run schools or school programmes. It is being run by the Ministry of Education and it will start this year. They are looking exactly at the number of schools that will start. We cannot start a Summer School in winter. So, we can't wait. We have to start in summer. Otherwise, we will have to start it next year. By definition, people are asking why it is starting now. It starts now because it is summer and that is the reason why it is starting now. Our aim, Mr Speaker, Sir, is to be able to crack this age-old problem of low CPE pass rate. We are really doing the maximum: the Ministry of Education with the Enhancement Programme whatever the NGOs are doing. This is something additional and we will address it irrespective of where the schools are, all the schools that have less than 50% pass rate in CPE examination, Mr Speaker, Sir. We will look forward, Mr Speaker, Sir, to it working well. The children can choose to go to whatever school. They don't have to go to their existing school for that Summer School Programme and hopefully they will not be taught by the same teacher so that, in fact, they can get a different angle on what they are trying to learn. I hope, Mr Speaker, Sir, that it works and that it will be of some relief to all the kids who need to pass their CPE exams.

Mr Speaker, Sir, what we have done for women is exceptional. What we have done for women shows that we understand the real plight of the mother going to work. You have to understand that, because it is not the same as for you and I, Mr Speaker, Sir. A mother that goes to work has to take care first of all of her children. What to do with the children? Where you put the children? That is the major problem. When you look at all these problems with children, part of the problem is that parents are not there and, therefore, they are left to themselves and God knows what happens. That is why they take the wrong turning and end up, Mr Speaker, Sir, as insufficiently taught in adulthood.

When we look at poverty also, we need to look first at the foundation. The first five years are the important years when you look at any human being. We have looked at the problem of women and we treated it in an exceptional way, Mr Speaker, Sir. We have done everything we could to help the mother going to work.

Firstly, Mr Speaker, Sir, primary in pre-primary Government schools will be opened after hours. It will be outsourced to somebody or to many people, people will be able to use the classrooms and keep the kids in the classrooms until the mother comes from work. She is at peace knowing that her kid is at school and is being looked after and, obviously, she will have to pay something for that. It is not a free service. That is for primary and pre-primary schools, Mr Speaker, Sir.

Also, for younger children this time, there are the crèches, Mr Speaker, Sir. That is a big problem when you have a young child and you cannot go to work. You don't know what to do with him. But, if as we are suggesting, Mr Speaker, Sir, companies agree under CSR to build their own crèches at the workplace. The mother takes her child there, maybe she can even say hello to the kid during lunch time and take him home after work. That would be fantastic, Mr Speaker, Sir. That would be really a comfort for the mother and the child. We have offered the possibilities to companies to operate crèches under CSR for the lower paid employees, up to Rs12,000 per month and up to Rs1,500 per child. But they don't have to operate it themselves, they can also pay for it somewhere else in a private institution or elsewhere so that the mothers can come to work. We do need to crack female unemployment, which is about twice the rate of male unemployment. We do need to do something and I believe that the Budget does something for that, Mr Speaker, Sir.

We are also looking for the 2,000 very poor children who, when they come to school at age five, have already lost out in life. They will never pass the CPE because the first five foundation years, they have not learned anything to help them. When they come and sit on the bench at five, Mr Speaker, Sir, instead of going up, ils vont *rétrograder*. Why? It is because they think they are stupid, the other children already know how to talk, write, read and count, maybe, and they don't. Actually, instead of going forward, they go backwards. Mr Speaker, Sir, we think it is important. Government is spending a large sum of money, Rs1,500 per month for these 2,000 children to attend *crèches*, Mr Speaker, Sir, financed by the National Empowerment Foundation.

Mr Speaker, Sir, it is time that I should reply to some more specific points. My friend, hon. Li Kwong Wing, raised questions this morning about the complication in the paying taxes. In Mauritius it is a bit, like the Prime Minister himself said, messy. It is less messy now. But he should also remember - because we should not always downgrade ourselves - we ranked ninth

out of 180 countries in the PricewaterhouseCoopers report on paying taxes. We are really doing very well. It is no good exaggerating. It does not help. We are already, Mr Speaker, Sir, in the top 10 countries of the world in terms of the ease of paying taxes in terms of the tax burden on the economy. Mr Speaker, Sir, I think, as a professional, we always have to say something that makes sense and not say the opposite.

Mr Speaker, Sir, this is not a reckless Budget. Not at all! It is one of the most responsible Budgets in recent times. I will just take one figure. We are borrowing only to invest. We are not borrowing at all to cover our recurrent expenditure. It is like somebody who, every day, has to borrow from the bank to pay for his foods and drinks. That does not make good sense because, at one point in time, you will have problems. We are not doing that this year, Mr Speaker, Sir. It is the first time in 10 years that we are not borrowing to cover any of our wages, salaries, none of our recurrent expenditures. We are borrowing only to finance investment, and investment by definition brings in economic returns. We are on very safe ground in this Budget, not only a low budget deficit, a reduction in overall public sector debt to 54.1%, but also very important this parameter that we are only borrowing to finance capital investment. The whole of our recurrent expenditure, whatever it is, is being financed by our own revenues, Mr Speaker, Sir.

Mr Speaker, Sir, what about debt? Should you look at debt like hon. Li Kwong Wing has done? As an absolute figure or as a relative figure! If Mr Billgates owes a million rupees, would you be worried, Mr Speaker, Sir? If the man in the street owes a million rupees then you might be. You will say: "Well, because he does not have enough revenue, how is he going to pay?" So, debt is always in relation to your revenue. Anything else does not make sense. It is always in relation to what you earn is how much you can borrow. Any simple banking clerk would tell you that. Hon. Li Kwong Wing was trying to impress the masses maybe. As a professional, he cannot come and say this, *cela ne tient pas debout*. Someone will say: thank God for Vishnu otherwise. He cannot do that. It must make sense. Nobody looks at debt in an absolutely way. It does not make sense. Debt is always looked at as a percentage of GDP.

*(Interruptions)*

Now, he agrees! It is always looked at as a percentage of GDP and it is falling as a percentage of GDP. If you have any problem thinking about that again, think of Billgates, Mr Speaker, Sir, you will see that I am making sense. It is in relation to what you earn that is what

you can borrow. Our earnings are good, what we can borrow also can go up. In fact, this time, it is reducing as a percentage of GDP. So again we are on very, very safe ground, Mr Speaker, Sir.

As far as our growth rate is concerned - the Prime Minister explained it very well - 65% of our exports go to Europe and to the USA. It's two thirds of our tourism - 66% come from Euro, Mr Speaker Sir. These guys are having a bad time. 0.5% - 0.6% is looking like good growth for them at the moment and we can't here say "let's put 6% - 7% just to make everybody happy." We have done a maximum in this Budget to generate growth in a very difficult period. To compare us to Kenya, what is the sense of that? What is the GDP in Kenya? The GDP per capita in Kenya is \$800 and in Mauritius \$8,000. Obviously, the base in Kenya is much, much lower and, as everybody knows, one rupee on ten rupees is ten per cent; one rupee on one hundred rupees, Mr Speaker, Sir. So, you are mixing absolutes and relatives, it is getting a whole mess up in this Budget debate and we can't do that, Mr Speaker, Sir. The GDP in Kenya is very, very low. Any extra amount gives you a big rate, everybody knows that. Here, of course, we are ten times higher and so we have to look at a relative situation and the absolute situation at the same time when we are trying to compare what is not comparable, Mr Speaker, Sir. Obviously, you can also take the other points - maybe not so much for Kenya, but this huge mineral wealth and everything else that exist there, Mr Speaker, Sir. Maybe it's good to know because someone ought to know better, Mr Speaker, Sir, that we ought not to be comparing our country to Greece, we should compare our country to something else.

*(Interruptions)*

Well, I look at Trinidad and Tobago. What can be closer to Mauritius than Trinidad and Tobago? 1.2 million people, two islands like we have in Rodrigues. It is very ethnicity diverse and it's sitting next to USA which is doing better than euro. So let's compare her to that. If you look at Trinidad and Tobago, they are having big problems. This year, it is the negative growth, next year they only expect 1.7%. The Budget was in October, I read the Budget. I have left the cherry for last, Mr Speaker, Sir, they have oil as well. So you take away the oil; you take away the fact that we are not close to the USA and we are still saying 4% and it is still difficult to please the Opposition. What can I do? What can we do, Mr Speaker, Sir?

Mr Speaker, now, this is important. The Prime Minister used to let me speak at the end of the Budget debates when we were in the Opposition and it's a bit like what happened today. I would have a lot of time to read the documents. The Leader of the Opposition made the same

mistake. He didn't find the figures. I had not spoken them out, he thought it didn't exist and we had to make the projections. I can understand for the Leader of the Opposition, but hon. Li Kwong Wing has not read the papers because he couldn't find the inflation rate. I have tagged it for you. He couldn't find the inflation rate. He couldn't find the amount of FDI that we are predicting. He couldn't find the public debt. He couldn't find it, it's there. The Budget does not include any provision for that; it's not true so the hon. Member has to read also.

As far as the global business sector is concerned, Mr Speaker, I think hon. Li Kwong Wing wrote his speech two weeks ago. That's the problem with the offshore sector. I think he wrote it two weeks ago and didn't have time maybe to change it because this has been widely stated. FSC has increased its rates a few days ago. In fact, we are not pursuing the imposition of the solidarity tax. Everybody knows that and, in fact, we have preferred to increase the FSC which is a better solution. There is nothing to hide about it. It's a better solution. It's less money, but for a longer amount of time. So, in the end, we'll get back more than we would have got from the two years of Solidarity Tax. We are happy; it's a win-win situation. Everybody is happy about that, Mr Speaker Sir.

As far as the shoe manufacturing sector is concerned, we are looking at ways to help especially the micro-enterprises. We are looking seriously at that, but I don't think there are 15,000 people. We can check that, but I would be very surprised. We are looking at that but, Mr Speaker, Sir, you have also to think of the consumers. People can't go around barefoot in Mauritius. With the measures that we have taken, it is going to take Rs80 off a shoe, but when you had VAT to that - because VAT was also imposed on that - and you had the margin of the supplier, of the importer, of the retailer on those Rs80, you might end up with Rs200, Mr Speaker, Sir. So, we expect a very large fall in the prices of shoes in Mauritius for the whole population. It could be about Rs150/Rs200 coming from these Rs80 fall in duty, Mr Speaker, Sir. The consumers are also important in Mauritius and you should never forget that. We will do our best to help those micro-enterprises that need help. I think Monday there is a meeting with all of them.

Mr Speaker, Sir, as far as SMEs are concerned - he didn't listen to the PNQ of Friday because we did say, because he questioned the fact whether property speculators would borrow the money. It's not serious. We replied to it on Friday and yet he does not seem to have got the point. Property speculators no; traders no; purchase of luxury cars and luxury goods from that,

no, Sir. There will be some exclusions on actually types of SMEs and participate in the 8.5% 3 billion rupees project and it is going to exclude. I hope that is now clear and we don't have to come back to this later again, Mr Speaker, Sir.

So, I think I have dealt with most of that and he had a point on long-term planning. If you look again in the Budget, you will see there are provisions for improving the long-term planning of the Ministry of Finance, Mr Speaker, Sir. Perhaps I could say, at the same time, a word on what hon. Pravin Jugnauth said this morning, Mr Speaker, Sir. He questioned the fact that hon. Mrs Bappoo needed his permission to appoint the twenty people - the Child Support Officers – I have dealt with that, Mr Speaker, Sir. He does not seem to know that even in his budget there was a fund. I think it was Rs3.5 billion. He said that I have taken out all the funds, but no. There was a remaining fund – there are a few more as well not just that one - but he didn't listen. I think the IMF told him. They told him that the fund should disappear, but he didn't listen at this and thank God because in this year's Budget there is a business growth fund as there will be next year the National Resilience Fund, Mr Speaker, Sir.

We spoke about the pensioners – he was not there perhaps, I'll just repeat – they are getting full compensation. It is not right to tell them - because there are old people; they do not understand - that they are not getting full compensation, they are getting full 6.6% compensation equal to inflation. Really, I am upset, Mr Speaker, Sir, when they start telling the pensioners that they are not getting their full compensation. It is not right because they are old people and we, as politicians, should not do that, Mr Speaker, Sir. It is unkind and some of them are worried and asked me: why is it that you are not giving us full compensation? It's not true. They are not getting more like the small employees, the small income earners, but they are getting full compensation. Maybe if you didn't understand, now you understand and please stop saying that because it's upsetting me and it is not right.

Mr Speaker, Sir, it's a shame hon. Ganoo is not here.

**Mr Speaker:** No don't use the word 'shame'.

**Mr Duval:** Okay, it is a pity because I'm going to talk about the Public Accounts Committee. So much on *gaspillage* – *ah gaspillage dan gouvernman, etc, etc*, but what happened to the Public Accounts Committee? I'll tell you about *gaspillage* and I don't know if I have not been tempted, Mr Speaker, to support any vote to reduce the remuneration of the Chairman of the Public Accounts Committee. I would be tempted to do that, Mr Speaker, Sir. I'll tell you

why. It's because, Mr Speaker, Sir, since 2005, six years ago, do you know how many reports have been produced by the Public Accounts Committee? Only one report Mr Speaker, Sir! This is the watchdog that is supposed to look at the Director of Audit's Report, make recommendations, submit it to this House. When have we received a report? I do not know, I think before the last election, *illico presto*, someone submitted a report, and that's it, no one. The Public Accounts Committee has not sat since July of this year, has not even sat. And the Chairman gets a car - very nice limousine - and I think it is Rs10,000 still every month, maybe more now. At my times, it was Rs10,000 a month. Then, we have to put a stop to this, Mr Speaker, Sir. What is this? On the one hand, criticising Government, they are not doing anything about the Director of Audit's report and they are not doing anything about the OPSG, and at the same time, a committee that is chaired by the Opposition, is not sitting, for the last six years, has only submitted one report and nobody finds in the Opposition anything to say about that. That is a pity. If it is not a shame, it is a pity. Mr Speaker, Sir, it is still time and I hope the Public Accounts Committee, the Chairman looks at this again and we have a decent Public Accounts Committee that can report to the House. Like we had before when the Deputy Prime Minister was with me at the time, Mr Speaker, Sir. This is not right, it is unacceptable and I hope that they will listen to my plea today, Mr Speaker, Sir.

Mr Speaker, Sir, on disinvestment, out of the many assets that Government has, which, on one side, is not productive, not profitable, apart from the Port Louis Waterfront which generates some profits; the others, all need public money every month to actually support them. This is not right. We have better things to do than putting Rs10 m., more in casinos every month, just because the casinos cannot be run properly. It is not right to have to subsidise Lake Point, it is not right that we have to subsidise a restaurant, that is not what the taxpayers pay the taxes for, Mr Speaker, Sir. We have better things to do, like Health, like Education, like Social Security to do with that money and this is why we are disinvesting. We are disinvesting, because it is not easy for Government to run a business. The Minister of Finance cannot start running a bookshop. It is not our role. Everybody should be in his place. You can do so, you can invest in strategic investment, you can invest in things, in state-of-the-art, people are hesitating, the private sector is hesitating to invest. So, you invest, you put your money and you just start the whole thing. Like we are doing in ICT, like we have done in ICT, Mauritius Telecom, etc, like we have done elsewhere, like we have done in Air Mauritius. You put your money, where there is a need to put

your money. You do not put your money in shops, restaurants and casinos. That is not right. Therefore, Mr Speaker, Sir, we will try to disinvest from these and use the money elsewhere, in strategic areas, where it is necessary. We would like to maybe have a regional airline, would that not be wonderful, instead of having Domaine Les Pailles, you have a regional airline to serve the African continent? That could be wonderful. I am not saying it can be done. I am saying it is one of the things that, maybe, one should generate sufficient income, you can use maybe to have a third cable for the ICT. We will need Rs600 m. for Rodrigues for the cable. There will be so many things to do and we cannot keep our money invested in non-productive assets. On the other hand, the employees do not need to worry. There would be no *licencement*, but the private sector can grow these companies, make them better, give better pay, make everybody happier and the economy will benefit. Nobody benefits when you have unproductive assets.

There were some criticisms on housing policy. Right from the start, when hon. Cuttaree, at the time, started to build high-rise apartments, I was one of the few in the House to speak against that, because everywhere else in the world, these high rise apartments are being destroyed. But we kept on with it and, Mr Speaker, Sir, thanks God we no longer are building high rise apartments. But we have to do something about these apartments. We cannot just let them drift along and become 'no-man's land' and become ghettos. This is why we have taken the unprecedented step. The hon. Leader of the Opposition himself said that it is the hardest nut to crack; we have taken the unprecedented step of putting Rs200 per month, per each apartment to be able, Mr Speaker, Sir, to jump start NHDC syndics. And I really sincerely hope that this will improve the daily lives of the 6,150 families living in NHDC. There is nothing worse than coming home and garbage everywhere, no lighting in the public areas, the grass has not been cut, it is all a mess, because of a mere Rs200 per month, Mr Speaker, Sir. And the Housing Development Trust, perhaps we will get a question in due course, will explain how that can be done, either for the Trust Act or as a non-profit making company with, Mr Speaker, Sir, exceptional provisions in the Housing Development Trust for a no land conversion tax. So, they are paying land at the agricultural price, no VAT and no registration duties. Really, it is a huge effort that we are making, because it has taken time for Government to do so. We believe also that the third way collaboration with the private sector will help to get a housing scheme for the poor onto the rails and onto a fast track, Mr Speaker, Sir.

Mr Speaker, Sir, we are moving slowly...

**Mr Speaker:** I am sorry to interrupt the hon. Vice-Prime Minister. I would like to know how long you are going to take?

**Mr Duval:** 10 minutes.

**Mr Speaker:** 10 minutes, otherwise it is time for dinner.

**Mr Duval:** In 10 minutes I will finish. I will finish quicker in that case.

We are trying to develop health habits, that is, tax policy. There is something coming up for coca cola or whatever, these sorts of drinks. We have moved and we have done this also for the excessive consumption of alcohol and cigarettes and that is something that over time, Mr Speaker, Sir, from Budget to Budget, we will try and promote.

Regarding the issue of Local Government, we are having a Local Government Governance Unit, as is done in other countries in order to improve. One thing I do need to speak to the House about, Mr Speaker, Sir, is Saturday work. There is some confusion on that. Nobody is saying that all the civil servants in Mauritius need to work on Saturday, that would be pointless. We are talking about some few of these officers who deal with the public. Maybe it is a Civil Status Office, maybe it is CAB offices, maybe it is Tourism Authority, maybe it is some social security offices, if they do not open at the moment, we would like for them to be opened and we would be happy to pay for overtime for that to happen, Mr Speaker, Sir.

Mr Speaker, Sir, hon. François raised the point whether the Rs500,000 for the health people to travel overseas is going to apply to Rodriguans. Yes, Mr Speaker, Sir, it will apply fully to the Rodriguans. Hon. Mrs Hanoomanjee complained about the so-called reduction in the Budget of the Ministry of Health, that is not true, Mr Speaker, Sir. It is true, but it is because of the capital budget. Two hospitals are already completed and therefore cannot keep the same, but what is good news is that the operating budget of the Ministry of Health is moving from Rs6 billion to Rs6.6 billion, an increase of 10%.

Hon. Baloomoody was upset about the electronics bracelets, Mr Speaker, Sir, but better wear bracelets than go to prison. Mr Speaker, Sir, I have a list here of all the innovative measures that we have. Unfairly, there has been criticism that we have not been innovative. What we have done for SMEs, what the Prime Minister mentioned for 20,000 entrepreneurs, the abolition of the tenant tax, the Mauritius Fair and so on and so forth. All testify the green certification for the hotels, the new rebate scheme, the NHDC Syndic, the payment of the NPF for the low paid

employees, 2,000 CHA houses, the private health insurance and so on and so forth. All testify the sports scholarship, the 50% salary in CSR, etc. all testify to the innovation of this Budget.

Mr Speaker, Sir, before concluding, I would just like to mention that there are a few printing errors, as usual, in the Budget documents and we will be circulating an *erratum* for that. I would also like to tell my colleagues in the House, everybody, the Opposition and Government benches, Mr Speaker, Sir, that we have listened to all and we have noted all the positive suggestions that have been made and they will be there, Mr Speaker, Sir, either in the Finance Bill or at some later stage. We have noted all the positive suggestions that have been made, and they will be dealt with, Mr Speaker, Sir, either in the Finance Bill or at some later stage.

To conclude, Mr Speaker, Sir, I would just like to say that this Budget has had an overwhelming positive response; everybody agrees with that. It is both from the economists and the professionals to the man in the street, Mr Speaker, Sir. If we take the *PluriConseil*, the latest poll that was made on the Budget overall, 90% of the analysts that were polled, Mr Speaker, Sir, said that the Budget was good or quite good. It's is much more than what they said last year, by the way. For SMEs, Mr Speaker, Sir, 94% of the people who were asked thought that the Budget was good for SMEs. So, it is a huge amount; only 6%, in fact, said it was not the case. Again, much more than last year, Mr Speaker, Sir!

PricewaterhouseCoopers: 'brave and bold, investor confidence fully restored'; DCDM: 'Marshall Plan'; Peat Marwick, KPMG said that the population was gratified with a pragmatic Budget. So, it is a Budget for the whole population. It is a Budget for the 250,000 employees who work for the SMEs; for the 22,000 SMEs; for the 20,000 small planters; the 6,000 horticultural producers; the 5,000 small breeders; the 10,000 businesses that will no longer pay municipal tax, tenants tax; the 20,000 people living in NHDC flats; the 2,000 CHA house owners; the 8,000 persons who will get paid training as from next year, that is, Rs6,000 a month; the 38,000 inhabitants of Rodrigues who will have digital connectivity for the first time in history; the 16,000 children pre-school; the 2,000 children in crèches sponsored by NEF; the 4,000 fishermen, not to talk about the vehicle owners who get duty-free tyres; the people will be able to buy mopeds and *mobylettes* and all around the country, Mr Speaker, Sir - and that's a great thing in life - will be mobile independent.

Mr Speaker, Sir, there is also the informal workers, the special needs children, our young athletes, all those entitled to legal aid, and all the inhabitants of the new district councils,

everybody will benefit from this Budget, and that is why it has been overwhelmingly acclaimed. But, Mr Speaker, Sir, this summing-up is not the end; it is a start of a journey for government over the next year to implement all the wonderful measures in this Budget for the greater good of our people.

Thank you very much.

*Question put and agreed to.*

*Bill read a second time and committed.*

*At 8.14 p.m, the sitting was suspended.*

*On resuming at 9.30 p.m. with Mr Speaker in the Chair*

## **THE APPROPRIATION (2012) BILL**

**(NO. XXVI of 2011)**

### **COMMITTEE OF SUPPLY**

*(Mr Speaker in the Chair)*

*Programme-Based Budget Estimates 2012 & Indicative Estimates 2012 & 2013*

*The following programme codes were called and agreed to –*

*001     Office of the President - Presidency Affairs (Rs63,498,000)*

*011     Office of the Vice-President - Vice-Presidency Affairs (Rs10,884,000)*

*The Judiciary – Programme Code 021: Administration and Delivery of Justice was called.*

**Mr Baloomoody:** As guidance, Mr Chairperson, may we know how we are going to proceed? Is it on a page by page basis or item by item?

**The Chairperson:** I think we must go page by page.

**Mr Baloomoody:** On page 13, Item No. 22030 – *Rent*.

**The Chairperson:** I would like hon. Members to be very clear when they are quoting the page and the item so that hon. Ministers can understand well to which item they are referring.

**Mr Baloomoody:** We shall be very clear and we expect to have clear answers as well, Mr Chairperson.

On *Rent*, I find that there is an increase for next year from Rs9 m. to Rs13m. May we know which building we are talking about and for what purpose? Under Item No. 22090 – *Security Services*, the sum remains the same. We know that we are renting more buildings, we

are expanding the Judiciary with regard to magistrates and judges, how is it that the sum for that item of *Security* remains the same?

**The Chairperson:** We take three questions and then the answers.

**Mr Obeegadoo:** May I?

**The Chairperson:** You are talking on the same vote?

**Mr Obeegadoo:** Absolutely! At page 13, under Item No. 21110 – *Personal Emoluments*, there is obviously a significant increase from 2011 to 2012. Would the hon. Prime Minister kindly enlighten us as to the precise purpose of the increase as regards *Personal Emoluments*?

My second question if I may, under Item No. 22030 – *Rent*. My hon. colleague has put the question as to what are the buildings specifically for which we are budgeting funds for rent purposes. I would like to ask two specific questions, one concerns Bambous District Court where the Court has been accommodated apparently in rented premises for quite a while.

May I know for how long more it is projected to occupy the rented premises there? Secondly, the District Court of Curepipe, I understand the old historical building belongs to the Royal College, but there is a house behind which has been rented for a while and converted into Court No. 2. I would like to know for how long more the Court will be accommodated in what was intended to be residential purposes?

May I proceed with my next question, Mr Chairperson?

**The Chairperson:** Let us have the answer, please.

**The Prime Minister:** Mr Chairperson, first of all, let me come to the item *Rent*. The provisions are for renting an office of the area of 3,500 sq ft for the third Court, as you mentioned at Curepipe. The lease is being renewed for three years with effect from 01 July 2010. As for the Bambous District Court, it is a 4,200 sq ft building with Rs90,000 rent and it is situated at the Royal Road Bambous. It depends on the request I get also from the Judiciary, Mr Chairperson.

As for the *Personal Emoluments*, they represent the basic salary for 657 funded positions, salary compensation for 2012 to eligible officers, extra remuneration and allowances, especially an allowance to the Chairman and members of Judicial and Legal Service Commission.

As for the *Security*, the provision has stayed the same. I take it that it has not been felt that there is need to increase, maybe it is redeployment.

**Mr Jugnauth:** Under Item No. 22030 – *Rent*, I would like to know whether there was an advertisement with regard to invitation for renting of premises. With regard to Item No. 22070 – *Cleaning Services*, again I would like to know whether there was a tender for these services.

**Mr Baloomoody:** With regard to *Rent* itself, the hon. Prime Minister tells us that we are going to renew the lease for the third Court for Curepipe. Is the rent being increased by Rs4 m. for a year?

**The Prime Minister:** No. Where did you get the Rs4 m.? We also have officers at Astor Court on 3-levels. We also have other Courts, but you asked me specifically for Bambous so I have answered for Bambous.

Mr Chairperson, as to whether it was advertised or not, this pertains to the Administration of Justice; they decide whether they will advertise or not and even for the *Cleaning Services*.

**Mr Lesjongard:** On page 13, under Item No. 22060 – *Maintenance*. There is an increase of Rs9 m. that is, estimates for 2012 is Rs28 m. whereas for 2011 it was Rs19 m. Can we have a breakdown of as to why there is an increase in *Maintenance*?

**Mr Uteem:** Mr Chairperson, in respect to Item No. 22030 – *Rent*, may I know from the hon. Prime Minister whether the premises being rented are used exclusively for Court work or also for other purposes, and if so, for what other purposes?

**Mr Jugnauth:** I hope the hon. Prime Minister is not taking it personally. The hon. Prime Minister has answered to say that it is the Judiciary, I accept that but, I wanted to know whether there was any advertisement with regard to rented premises and for the *Cleaning Services* whether there has been any tender by the Judiciary, not by him but by the Authorities.

**Mrs Labelle:** May I, with your permission, come back to the question of *Security Services*. We know that as a major constraint more premises will be rented and we assume that these premises will need security. So, how do we reconcile the fact that the item *Security Services* remains the same even though we are going to have more premises?

**Mr Nagalingum:** Mr Chairperson, can we know which security firm it is and how long is the contract?

**Mr Obeegadoo:** I have a number of questions, Mr Chairperson, so you will stop me when you think that they are not the questions that I should pose. At page 13, with regard to item 21110 - *Personal Emoluments*, the hon. Prime Minister answered salaries and

compensations. I would wish to know whether there are additional positions, either being filled or being created, which explain the significant increase we are foreseeing for next year.

Secondly, under Item No. 22030 – *Rent*, I will go back to Bambous District Court, the understanding was that the old building was being refurbished or rebuilt. I would like to know therefore for how long more Bambous District Court will be housed in rented premises before going back to the public building which was being refurbished.

As regards Curepipe District Court, inasmuch as we have an available public building, the former MBC building, do we necessarily have to go on renting the present premises, which are clearly not adequate to house a District Court?

Thirdly, as regards Souillac District Court, where there has recently been a fire, may we know whether it is now being envisaged to rent alternative premises or will the court still be accommodated in the clerk's office, where the court is now operating?

Finally, as regards rent, I would wish to know whether it is proposed to provide a robing room, as used to be the practice in past days where Barristers could meet also with their clients for pre-trial conferences.

**The Chairperson:** Before we proceed with this item of the vote, that is, *Programme Code 021*, I would like to draw the attention of the hon. Members that it is Administration and Delivery of Justice. And Administration and Delivery of Justice - hon. Members will agree with me, especially those who are at the Bar - is a matter for the Judiciary. The hon. Prime Minister can answer questions that fall within his responsibility.

**Mr Obeegadoo:** May I continue?

**The Chairperson:** Does the hon. Member have some more questions?

**Mr Obeegadoo:** Yes, indeed. I think the hon. Prime Minister wants to answer.

**The Chairperson:** Carry on!

**Mr Obeegadoo:** Under *Office Equipment and Furniture*, being given that the Court staff at Mapou District Court are presently forced to work in conditions which are clearly unacceptable, I would like to know whether the budget we are voting, which is drastically reduced from Rs9 m. to Rs5 m., does provide for refurbishment of Mapou District Court, in terms of office equipment and furniture or else why, are we envisaging such a drastic reduction?

My final question, Mr Chairperson, if you would allow me, under item 22090, *Security Services* – is the hon. Prime Minister aware that there was a break-in at Curepipe District Court

recently, where some 100 files, including on-going trials, were burnt and we had to have recourse to security services and that precisely on the day when the security guard was by coincidence absent, there was a second break-in, and, if so, what is being done within this Budget, which remains the same to ensure that the files at Curepipe District Court are properly guarded? It is for the interest of justice that security there is ensured.

**Mr Bodha:** Mr Chairperson, as regards item 21210, *Social Contributions*, may the hon. Prime Minister enlighten us as to this new item because it doesn't appear for 2011, but it appears for 2012?

**Dr. Sorefan:** Regarding item 20030 *Rent*, does the DPP fall in that rental?

**The Chairperson:** Is that all?

**The Prime Minister:** First of all, let me answer one by one, if I may. For the personal emoluments – I didn't tell you of the whole dispute. I thought it might be in the things, but anyway I will look into it. There is provision for 657 funded positions, the salary compensation for eligible officers, allowances and all those things. Apart allowances to Chairperson and members of the Judicial and Legal Service Commission, there are also allowances for Magistrates for weekends custody service, special judicial service allowances to judicial officers, judicial and legal housing, black jacket meal, responsibility and acting allowances to magistrates who are on mission – those who go on mission to Rodrigues. It also includes allowances payable to additional staff. Then, there is the extra assistance for three advisers. There is also the item cash in lieu of leave and provision for the payment of unutilised sick leave for the year 2011 again to eligible officers. There is the end of the year bonus included in that. There are additional posts, which are going to be filled in 2012. There have made a six months provision here; three District Magistrates, 10 Senior Court Officers, 2 Court Officers, 28 Trainee Court Officers, 1 Assistant Manager, 2 Financial Operations Officer, 2 Assistance Financial Operation Officers, 2 Procurement and Supply Officers, 1 Senior Internal Control Officer, 1 Confidential Secretary, 1 Work Processing Operator, 2 Transcribers, 1 Law Library Officer, 1 Court Usher and 1 Head Office Care Attendant.

There was a question asked about the cleaning services and security services whether there were tenders. The answer is: yes. They went through tendering procedures.

The other question was about, whether we could use the MBC old building for that. That, they will have to decide whether it is appropriate, maybe if they decide to use - I can't say - but there would have to be obviously changes made to the building.

As for the Souillac Court, I don't see anything here on Souillac, so I take it, it is going to stand the same. I don't have any details on that.

For the office equipment, there are lots of equipment, Mr Chairperson; air conditioners for additional Chambers to replace the old ones, laptops, photocopiers, fax machines for newly appointed Judges and other newly recruited staff, heavy duty for the copier for Archives, there are also office furniture. All of this will include all the Courts, including the Mapou District Court; office desks, executive chairs, filling cabinets, chairs and steel *armoires* for newly appointed judges and other newly recruited staff, e-judiciary project and other sections.

I think there was a question on how long we will be for the rental of the Curepipe Court. I take it that they will rent, because there is no indication that this is being changed.

As for the maintenance, there is provision for the maintenance of buildings as well as plants, equipment, vehicles, IT equipment and the grounds as well.

For the personal emoluments, I think I just mentioned it. Sorry!

As for the social contribution, this is provision for the payment of contributions to National Saving Fund for the staff of the judiciary.

**Mr Uteem:** The hon. Prime Minister did not answer the question I put under the item of rent. Are the Court premises being used exclusively for Court matters or if he is aware, whether they are used for other purposes such as private arbitration?

**The Prime Minister:** Yes, there are some which are used for private arbitration, for example, the Mediation Division at Happy World House. This is leased for five years and there are additional spaces that are required for administration blocks that are being rented.

**Mr Baloomoody:** The mediation is not private arbitration; mediation is part of the judiciary system where we go, mediation prior of trial. The question of my hon. learned friend, Mr Uteem, is whether Court premises are being used for private arbitration?

**The Chairperson:** Private arbitration.

**The Prime Minister:** I am not aware that they would have been used for private arbitration, I'll be surprised.

**Mr Jugnauth:** With regard to office equipment and furniture, may I just say that at the Port Louis District Court No. 4, there are some equipment that are not in working order and even the microphone for accused party to be able to address the Court is not – the microphone itself is not there. So, is there provision to replace these equipments and to make it in working order? Just to remind the hon. Prime Minister that with regard to the rented buildings was there any advertisement inviting parties to come forward for renting of premises?

**Mr Lesjongard:** Mr Chairperson, I will get back to that same item with regard to maintenance where there has been an increase of Rs9 m. I have not got any reply from the hon. Prime Minister.

**Mrs Labelle:** Mr Chairperson I have not heard the hon. Prime Minister...

**The Chairperson:** On which item?

**Mrs Labelle:** On the same programme. I have put a question regarding the security services: how are we keeping the same budget for more premises? I have not heard the Prime Minister.

**Mr Obeegadoo:** Two additional questions, Mr Chairperson. On the Personnel Emoluments, I understand that Magistrates of District Courts are now extremely concerned that they will be under an obligation to attend to Court on Saturdays in the near future to be paid a meagre Rs2,000 per month. May I have confirmation from the hon. Prime Minister that the Personnel Emoluments we are voting here, indeed, include Rs2,000 per month additional payment for Magistrates under an obligation to attend Court on Saturdays?

Secondly, under item 22090 *Security Services*, District Magistrate are also extremely concerned at the open access to their Chambers from anybody right now and the lack of security. I would like to know how, with the very same amount, budgeted on the Security Services, measures will be taken to ensure the integrity and security of Magistrate Chambers in District Courts?

**The Prime Minister:** Mr Chairperson, let me come to the Security Services. In fact, there has not been an increase because, at the moment, there is no additional building which is being rented. If there is, then there will be reallocation of funds. But they remain the same because there is no additional building. I think there was a question about whether the rented premises were advertised. There were tenders done for the premises. As for the microphones, this is administrative; if we are told that they need to be replaced, we will replace them. There

was also a question on the maintenance. I can go through the whole list, but it will be a long list. We expect to stay here for quite a while, I tell you, Mr Speaker. There was a question on the building of the Supreme Court, as well as the other District Courts. They are old building, Mr Chairperson, and they have to be repaired frequently. Provision is made to meet expenses in connection with all repairs of the old building, including purchase of materials, paints and all these things. There is also, as I said, plant and equipment as well as vehicles and IT equipment. There is a maintenance agreement in connection with IT equipment for Court Management System by State Informatics Ltd, Supreme Court Management System by SIL, Digital Court Recording System at a New Court House and other Courts by the same SIL, Library system by De Chazal Du Mée and Management Agreement with Mauritius Network Services Ltd for the maintenance of e-filing system. Provision, I think, of around Rs12 m. to Rs15 m. will be needed. Negotiations are still on to finalise the agreement. There are also different repairs, Mr Chairperson; I don't want to go through all these. There was a question on personnel emoluments of Magistrates on weekends, the current allowances, I understand, will be increased and the quantum will be revised. I am also told now that the question on microphones that was referred to, the equipment is actually being repaired. Concerning Social Security, provision is for payment of contributions to NSF.

**The Chairperson:** Last question!

**Mr Obeegadoo:** It is just the same question that I had asked, which the hon. Prime Minister may have missed. I referred to a very important issue of security of Magistrates and the integrity of the Magistrates' Chambers. I asked whether under the provision for the next upcoming year, we have specifically addressed that issue which is of fundamental importance, of course.

**The Prime Minister:** In fact, Mr Chairperson, during the day, now they are going to have the Police for assisting them and only during the night they will be security services.

**Mr Jugnauth:** For the security services may we know those who have tendered for this contract and whether the lowest tenderer was awarded the contract?

**The Prime Minister:** That I can't say, Mr Chairperson, because I have said, it is administrative, and I don't get into this.

*(Interruptions)*

**The Chairperson:** I will have to set a time limit. I am authorised by the Standing Order to set a time limit. I am going to set a time limit on items being questioned. We cannot continue like this.

**Mr Baloomoody:** May we know what time we have on each page?

**The Chairperson:** Last year, I have put a time limit of 15 minutes on each and every item. I am going to put the same time limit.

**Mr Baloomoody:** I come back to page 14, *item 22120005 - Fees to Witnesses*. We found that there has been an increase of Rs200,000. May I know how much we are paying to witnesses today for attendance in Court and whether same has been increased or not? On *item 22900906 Privy Council* there is a provision of Rs3 m. May we know the detail of this expenditure? Are the lawyers from the State Law Office who appear for us before the Privy Council or are we retaining the services of other lawyers? With regard to *item 27210010 Legal Assistance in “in forma pauperis”*, may we know now that there has been an increase in the sum allocated, whether there has been an increase in the number of staff? We know already today it takes 3 to 4 months for a Counsel or an Attorney to be appointed because of the load of works. Let me declare for my interest, I don't appear in ‘*in forma pauperis*’ cases, but I would like to know whether there has been an increase in the fees given to Counsels and Attorneys who are appointed in ‘*in forma pauperis*’. I understand that they are given Rs300 or so. For the Council of Legal Education, there was a sum of Rs2 m. for 2010 ...

**The Chairperson:** Which page?

**Mr Baloomoody:** I am still on page 14, *item 28211006 Council Of Legal Education*. Are we going to have the same Council of Legal Education? Who is the Chairman of that Council of Legal Education? Who are the Members of that Council? I refer to *item 31112415, Upgrading of Other Courts*. May I know which courts are going to be upgraded and when the works will terminate? Under *item 31122802 - Acquisition of IT equipment*, I found that there is no provision for next year. Is the IT equipment at the court for the District, Supreme or the Intermediate Courts? We know that we have problems with regard to IT equipment. Item No. *31122802 Acquisition of IT Equipment*, it seems that there is no provision for 2012 for IT equipment at the court. So, may we know why this decision not to provide any IT equipment? Then, at the last item, No. *31132401 Upgrading of ICT Infrastructure - e-Judiciary Project*, may

we know where matters stand? We have heard it for so long, but we have not seen it yet. So, may we know the progress of work, where matters stand with regard to e-Judiciary?

**The Chairperson:** Hon. Bhagwan!

**Mr Bhagwan:** Only one question, on the last line, item No. *31132401 Upgrading of ICT Infrastructure - e-Judiciary Project*, the Director of Audit in its report severely criticised that item in particular, but I think it should need some consideration on behalf of the responsible departments, and if the hon. Prime Minister has taken notice of the severe criticism of the Director of Audit on that particular e-Judiciary item?

**The Prime Minister:** First of all, Mr Chairperson, there are a lot of questions. I will go according to what I have. Concerning security services, before I forget, I have been told that the contract was awarded to the lowest tenderer. The *Fees to Witnesses* - attendance allowance paid to public officers who attend courts as witnesses on behalf of their respective ministries has been raised from Rs45 to Rs65 and for professionals from Rs50 to Rs150. The number of court cases has also increased. As for the fees in connection with civil and criminal cases, this is also to meet payment for air tickets and subsistence allowance to Magistrates, Police officers, to and from Rodrigues. There is also a fee that is paid to various interpreters and the trend in respect to fees payable to interpreters is more likely to be the same for 2012 that is why it is so.

As for the question, I think, on the *Privy Council*, this is for fees in connection with the sittings of Privy Councils in Mauritius which involve expenditure for air tickets for the Law Lords and their management staff, hotel accommodations, lunch, dinner offered by Chief Justice and, as you know, the Law Lords will be in Mauritius again as from 26 March of next year. There is also for that, a judicial workshop on the New York Arbitration Convention 1958 under the aegis of the International Court for commercial arbitration which again will be held in Mauritius from 03 to 05 May 2012.

There was a question on the *Council of Legal Education*. I think the exams were held last September, but I think that was not the question. It was about the composition of the Board of the Council - the Chairperson is judge Lam Shang Leen and the members are Sir Hamid Moollan, Mr Appa Jala, Mr D'Hotman de Villiers, Mr Dheerendra Kumar Dabee, Mr Benjamin Marie Joseph who is the Master and Registrar and Mr Pramad Bissessur who is a representative of the University of Mauritius.

There was a question, I think, about the IT equipment. There is no additional provision because all equipment that was asked for had already been acquired. There was another question on the legal assistance and legal aid. At present, legal aid is granted to needy people but drawing a salary up to Rs5,000 a month. I think the hon. vice-Prime Minister and Minister of Finance did mention that we are increasing the amount and Government is currently reviewing its policy in order to enable more people to benefit from this assistance. It is expected that the new policy will be implemented next year and, accordingly, that is why a provision of Rs10 m. has been made. The amount that you see has been paid to Attorneys for 481 cases and to Barristers for 596 cases.

There is also provision for the non-residential buildings to the upgrading of District Courts, that is, Flacq District Court - the project has been completed. In fact, the New Court House and then, there are the courts as well for repairs to roof of Court Number One at the Supreme Court. I think that's what all that is there at the moment. I think there was a question on the intangible fixed asset, if I am not mistaken, unless I am answering more than I should. It was basically on the e-Judiciary projects; a provision of Rs20.6 m. has been made for the completion of the e-Judiciary Project-Phase I which is expected to be operational in January of next year. Phase I, I should add, is restricted to commercial and civil matters and chamber cases lodged before the Supreme, Intermediate, Industrial and Civil Courts. As for the Phase II of the project, it will provide for electronic filing and case management of the criminal cases lodged before the Supreme Court and subordinate courts. The project will start after the completion of Phase I in January 2012 and is expected to be completed by June 2013.

I think there was a query about the questions from the Director of Audit criticism. I think as per the agreement with the investment climate for Africa, the procurement was to be according to ICF guidelines which is that of the donor organisation and this is in accordance with section 3 of the Public Procurement Act. I think that's was all that I was asked. I am trying to see if I have missed something.

**Mr Jugnauth:** Mr Chairperson, I have two questions. With regard to the District Courts whether there is any provision...

**The Chairperson:** Can you cite the code?

**Mr Jugnauth:** Yes. Item No. 31112415 *Upgrading of District Courts*, because I see other courts - whether there is any provision that has been made for the setting up of Moka

District Court in the Constituency or in Moka anywhere? Secondly, with regard to the Item No. 22900906 *Privy Council*, this expenditure concerns how many sittings of the Privy Council in Mauritius?

**Mr Obeegadoo:** Mr Chairperson, on the Privy Council of the Rs3 m. budgeted for next year, would the hon. Prime Minister kindly indicate how much has been budgeted for payment of fees to legal advisors pertaining to the case against disqualification of candidates at the last general elections, who refused to give their communal belonging? I would like to know what amount of the Rs3 m. has been budgeted specifically having regard to that case.

Secondly, under *Item No. 27210010 Legal Assistance in “in forma pauperis” cases*, being given that right now, the Supreme Court cannot find an adequate number of Attorneys willing to take up cases *in forma pauperis*, whether in line with the increase of the threshold for granting of legal assistance, there will also be an increase in fees paid at least to Attorneys - let's forget about Barristers for the time being?

Thirdly, under *Upgrading of District Courts*, if I may just add to the question of hon. Pravind Jugnauth, the District Court of Moka which is now at Rose Hill has been there for a number of years, apparently pending the re-building of the court at Moka. I understand that construction works in Moka have completely stopped. May we know whether it is provided in the next Budget that this construction work will start anew and be completed?

**Mr Soodhun:** *Item No. 26313*, concerning the extra budgetary units, there is a provision for Rs4.4 m., I would like to have some more details.

**Mrs Labelle:** Mr Chairperson, regarding *item 27210, the Legal Assistance “in forma pauperis”*, we are aware that there is this increase because of the increase in the salary threshold. May I know whether there is also a change regarding the value of property owned? Is it a criterion? Is there a change brought to this criterion also?

**Mr Bodha:** On the same issue, Mr Chairperson, may I ask the hon. Prime Minister how many applications were there for legal aid last year and how many applications were approved?

**Mr Uteem:** Mr Chairperson, under *item 28*, I would like to know whether there has been any provision made for the payment to members of the Institute of Advanced Legal Studies, for the setting up of which, has just been voted? Under *item 31132401*, with respect to the *e-Judiciary Project Phase I*, I would like to know from the hon. Prime Minister what was the name of the firm that won the tender?

**Mr Jhugroo:** *Item 31112415, Upgrading of District Courts*, regarding the *New Court House*, can I have some more information what type of upgrading is going to be undergone there?

**The Prime Minister:** Mr Chairperson, let me just make something plain. When I hear the hon. Members putting questions, you would have thought that we are in an Eldorado. that is, we can do everything that we want to do. We all want to do more, but it depends on how much money we have. You don't want us to take the budgetary measures and at the same time you want us to do everything. You can't have your cake and eat it at the same time. Impossible! As for the increase in value for property for legal aid, this is within the prerogative of the Attorney General, not me.

Regarding the Moka District Court, there has been no provision made in this Budget, but I think tendered documents will be launched soon. I think somebody asked question for the Privy Council; they are starting on 26 March for one week and the list of cases are not finalised yet, so we cannot say. They will finalise it eventually. There was a question on extra budgetary units. The current grant to the Institute for Judicial and Legal Studies, the Institute has been established – as you know under the Act - the Board of the Institute has been constituted and a first meeting has been held on 09 November. The Board is as follows: The Chairperson, Justice Ms Ah Foon Chui Yew Cheong, the members of the Master and Registrar, the Deputy Master and Registrar, the Solicitor General, the Director of Public Prosecutions, the Chairperson of the Law Society, the Chairperson of the Bar Council, the Chairperson of the *Chambre des Notaires*, a member of Civil Society appointed by the Attorney General and a representative of the University of Mauritius. Provision is made for fees to the Chairperson, the Board members, and lecturers. Salary of the Chief Executive Officer, cost of utilities and stationeries for books and periodicals, softwares, seminars and workshops and then, there are other small expenses. There was a question whether we will increase the legal aid for Attorneys. The answer is no. I think there was another question on the costs and the cases are still pending. There are so many questions that I can't see where they are. There was a question about the *Intangible Fixed Assets*, the project involves in the implementation of an electronic filing system and case management system as I said referring to e-Judiciary. What about the procedures and administrative procedures? Obviously, the Prime Minister does not go into administrative procedure of the Judiciary, Mr Chairperson.

**Mr Baloomoody:** Just one question, the Prime Minister has said with regard to the Institute where the Board has just met and appointed. May we know where that institute is going to be situated? I understand the Board has made provision for site for that Institute.

**The Prime Minister:** They must have found a site, but I know what the site is.

**Mr Jugnauth:** If the hon. Prime Minister does not have the answer, he can circulate. With regard to Moka District Court whether there is any provision that has been made.

**The Chairperson:** He has said no.

**The Prime Minister:** No provision, but tenders are being launched.

**Mr Obeegadoo:** I think the hon. Minister may have missed one question which I asked as regards the case of the bloc 104 before the Privy Council which is over and passed and behind us. May we know what amount has been budgeted for the legal staff, the legal personnel, the legal advisers in that specific respect?

**The Prime Minister:** You refer into the case that is about the communal. I am saying it without having any definite answer here. As far as I know the case is not over yet. We are waiting for judgement. When they will ask for their fees, I have no idea how much fee they are going to ask.

**The Chairperson:** Page 15!

**Mr Baloomoody:** On page 15, can I come on the item Chief Justice. Can I ask the hon. Prime Minister whether he will tell us how many cases the Chief Justice has authorised the members of the judiciary to go for private arbitration. How many cases he has authorised members of the judiciary to take up private arbitration?

**The Chairperson:** No, this is a matter for the administration of justice. It is the decision of the Chief Justice. The hon. Prime Minister cannot answer in the name of the Chief Justice.

**Mr Baloomoody:** Can I ask the hon. Prime Minister whether provision has been made in this Budget with regard to the new rules which the Chief Justice has circulated with regard to costs? What provision has been made in this Budget? How much are we expecting with the new costs?

**The Chairperson:** You are talking about the new rules of Court?

**Mr Baloomoody:** Rules of the Supreme Court.

**The Chairperson:** No, that is the administration of justice.

(*Interruptions*)

Order! Order, I said! There is no need for any support from the Government side for me.

**Mr Baloomoody:** With due respect, Mr Chairperson, ...

**The Chairperson:** I said this is for the administration of justice. At the time of the second reading of the Budget speech, I made the same remark, when you were talking I said that is for the administration of Justice. The rules are made by the Judges of the Supreme Court. The question must be addressed there.

**Mr Baloomoody:** May we know in which item that money will go on the Budget?

**The Chairperson:** Where the money will go?

**Mr Baloomoody:** There are new rules. Apparently, there has been an increase in the cost of Justice by 900%.

**The Chairperson:** I should not stand up for you to sit down. The rules have been published. They have not been accepted. It has been circulated to the Bar Council and Law Society and invitations for comments have been asked for. It is unfair for the hon. Member as a member of the Bar Council to say that it has been decided upon. It is still under consideration and the hon. Member, as a Member of this House has a double role to play, not only at the Bar Council, but even here. When he is not satisfied, he can come back to say that he is not happy with the rules. It is unfair to ask the hon. Prime Minister now. When the rules have not been finalised to ask him where the money will go. But, the rules have not been finalised.

**Mr Baloomoody:** At least, I can know from the hon. Prime Minister on which code of the Budget the Phase that we are required from litigants to pay, on which item it will go? There is nothing in the Budget to say where cost will go.

**The Chairperson:** Whatever the costs claimed by the Supreme Court, they go to the Consolidated Fund.

**Mr Baloomoody:** So, how much are you expecting from the fund? Secondly, Justice of Appeal, I find that there is new Justice of Appeal (President of High Court (New)). They are two new items. May I know how many Judges we are expecting on the Justice of Appeal?

With regard to *Item 120098* – Senior Puisne Judge, Justice of Appeal (New), President High Court (New), can we know how many judges we are expecting for the Justice of Appeal and the High Court? Can the hon. Prime Minister enlighten the House how they will be appointed?

*Item 120084 - Director of Court Services*, I find that there was one last year, there will be one this year, there will be one next year, and one in the year after. May we know who is that gentleman or lady, and what is her scheme of service? As regards *item 127282 - Magistrate Intermediate Court*, again I am sure you will rule me out if I ask how many arbitration they have made. But I ask it, just in case the hon. Prime Minister wants to answer. As far as the cancellation of the post of Official Receiver,...

**The Chairperson:** Let the Prime Minister answer. The hon. Member cannot put a series of questions. There is one thing that I would like to remind the hon. Member on one issue, namely the number of Judges that are going to be appointed for the Appeal Court and the number of Judges who are going to be appointed for the High Court. The creation of the Appeal Court and the High Court has been announced in the Budget, and that will require an amendment to the law.

When the Bill will be presented in the House, for the implementation of these policy decisions, then the hon. Member will have an opportunity to ask questions to the Minister who is going to present the Bill to the House. You have to be fair.

*(Interruptions)*

**Mr Obeegadoo:** Mr Chairperson, if I may interpret what hon. Baloomoody was asking. He wanted to know what we are approving in the financial provision, for how many posts of Judges on the Appeal Court we are approving on the basis of the present financial provision. But I do have a number of additional questions, Mr Chairperson. We are being asked to approve one post of Chief Justice, one post of Senior Puisne Judge and 23 positions of Puisne Judges. I would like to ask the hon. Prime Minister whether these are full-time positions or whether the persons appointed are entitled to undertake private arbitration during normal working hours as regards the Judges.

Similarly, on item 120093 - *President Industrial Court*, can I ask the hon. Prime Minister whether the President of the Industrial Court is entitled to take on private work, handling disciplinary committees during office hours? Is this a full-time position we are approving financial provision for? Is the Prime Minister aware?

**The Chairperson:** Let me draw the attention of the hon. Member on the issue of whether Judges are allowed to do private arbitration or if the Magistrate of the Industrial Court is allowed to do private disciplinary action. These persons are appointed by the Judicial and Legal Service

Commission. Once they are appointed, they are under the control of the Chief Justice, and it is for the Chief Justice to decide whether he will grant permission to these Judges or to the Magistrate of the Industrial Court to do private work or not and, therefore, the Prime Minister cannot answer on these issues.

*(Interruptions)*

**Mr Baloomoody:** With due respect to your ruling, we are called upon to vote a budget for the salaries or allowance for the staff of the Judiciary. At least, we are entitled to ask their scheme of service, and whether they are entitled to do this and that. We are voting their salaries, we are voting their emoluments. We are asking a simple question about their scheme of service. Are they, during working hours, using the premises of the government to do private work? Simple question!

**The Chairperson:** Yes, I fully agree with the hon. Member that he has a legitimate right to know whether members of the Judiciary who have been appointed by the Judicial and Legal Service Commission, have the right to undertake private work. I must tell him that the scheme of service of these Judicial Officers is drafted by the Judicial and Legal Service Commission, for which the Prime Minister is not responsible. The hon. Member must know that the conditions of service of the Judge, once agreed upon, are entrenched in the Constitution, and once they have been given certain rights and privileges, nobody can change unless we amend the Constitution.

**Mr Obeegadoo:** Once again, we bow to your very wise guidance. The question was a factual one; whether these positions of Puisne Judges and President Industrial Court are full-time positions or not. That is a very simple and direct question.

Moreover, under *item 121820 - Trainee Court Officers*, we welcome the creation of a good many additional positions. We would wish to know whether the 28 additional Trainee Court Officers we are budgeting for, for 2012, have already been recruited, for how long they are going to be trained and whether they are going to be posted within the next financial year, and how that is going to be done.

**The Prime Minister:** No, as far as the recruitment is concerned, they have not been recruited yet. As for the positions of the Judges, the Puisne Judge, 18 are in post, five new Judges are to be appointed, and they are going to be in full-time positions. With regard to the setting up of the Court of Appeal, which will have five Judges, this is pursuant to Lord Mackay's

Report. I know the Judiciary is reviewing its organisational structure with the creation of the Court of Appeal, which will have the status of the highest court of the judicial system.

There was a question also earlier on, Mr Chairperson, about where the judicial and legal studies will be. They will be at the Happy World House, temporarily.

**Mrs Hanoomanjee:** Mr Chairperson, with respect to *Item 012949 - Assistant Financial Operations Officer*, I see that for this year there were 19 officers in post and, subsequently, there are no funded positions. Can I know whether these posts have been abolished, or these officers have been promoted? Because I see the number of financial operations officer have increased from two to 25.

**Mr Jugnauth:** With regard to the Justice of Appeal, which is a new position, can I know when is it envisaged for the new Court of Appeal to come into operation?

**Mr Uteem:** I want to refer to the question which was asked by hon. Baloomoody, and which has not been answered yet. Under *Item 125971 - Official Receiver*, can I know why no provision is made for official receiver? Under *Item 122652 – Court Officer*, there is an increase in court officers from 63 up to 105. I want to know where these court officers will be located.

**Mr Barbier:** With regard to item 124156 - *Senior Court Officer*, we are asked to vote an additional ten more officers for the coming Budget. May I have some explanations why ten more officers for the coming year?

**The Prime Minister:** Ten more is for the administration of justice and, as you said rightly, Mr Chairperson, it is not me who recruits. It is the judiciary.

As for the provision for the Trainee Court Officers, they have not yet been recruited; but, when recruited, they will be confirmed and appointed as Court Officers.

As for the Assistant Manager of Financial Operations, they have been promoted to Financial Operations Officer and this is according to the PRB Report.

I just mentioned for the Court of Appeal. We have no dates there is a draft Bill which is for review by the Judiciary. I believe it has been circulated amongst stakeholders. When the enactment will be passed in Parliament, it's only then that we will be able to say.

For the Senior Court Officer, there is some additional information. They are being increased to 10 more to provide assistance to the five Judges to be appointed consequent to the setting up of the Court of Appeal.

**Mr Obeegadoo:** At page 16, under Item Nos. 08 48 60 *Senior Transcriber* and 08 42 56 *Transcriber respectively*, I note an increase in the number of posts of transcribers. And just as a general question, since the Mauritian Creole language has now assumed a new significance, a new status, may I know whether this increase in the number of Transcribers has anything to do with the eventual recording of proceedings in Mauritian Creole over the next financial year?

**The Prime Minister:** Mr Chairperson, Sir, this is about policy.

**Mr Obeegadoo:** I would not wish to approach policy issues, I am talking about the financial provision whether when we are being asked to vote additional two posts of Transcribers whether as a fact, this relates to new measures concerning recording of proceedings in Creole.

**The Chairperson:** I am sorry to intervene again. In the Courts of Mauritius, the first language which is used is Creole language. In the District Courts, the accused or the plaintiff or the defendant are allowed to depone in Creole. There is no need for any interpreter. It is only in the Supreme Court that even accused was deponing in Creole, it was being translated in English and, I think that practice has stopped now so the question does not arise as to whether we need translators for Creole language in our Courts. If you have further questions to put, you can.

**Mr Obeegadoo:** We are once again grateful for your wise guidance Chair. My question was the recording of proceedings in Creole. Right now, it is left to the Magistrates in their own wisdom, according to their own linguistic skills, to translate on the spur of the moment from Creole to English.

So my question was: now with the good work done in terms of formalising written Creole, whether this provision we are voting will allow for recording in writing of proceedings in Creole.

**The Prime Minister:** The answer is yes.

**Mr Baloomoody:** Under Item Nos. 12 53 65 *Chief Court Usher*; 12 48 60 *Principal Court Usher*; 12 41 56 *Senior Court Usher*; 12 26 52 *Court Usher respectively*. Now that we have voted the privatisation of usher, I find that there has been no increase in the number of ushers although we know that the workload has increased. Is it the policy of the Government now to go more private than public with regard to usher?

**The Prime Minister:** My understanding is: the answer again is, yes, Mr Chairperson.

*Programme Code 021: Administration and Delivery of Justice (Rs486,055,000) was, on question put, agreed to.*

*Programme Code 031: Parliamentary Affairs was called*

**Mr Bhagwan:** On page 19, under *Item No. 22040 Office Equipment and Furniture*. I am asking the same question which I asked last year Sir. It is about the MPs room outside where the furniture is completely outdated and is a threat for our health.

Can I ask the hon. Prime Minister whether necessary action will be taken, at least, to replace all these old furniture in the MP's room which is used by both sides of the House? Even the conditioner is a noise nuisance as it is causing noise pollution.

Also whether consideration will be given that this zone be declared a no-smoking zone and that smoking should be banned not only there, Sir, but even in the toilets?

**Mr Baloomoody:** Under item *National Assembly* itself, can I ask the hon. Prime Minister whether he will tell us on which Code is the *Commission de la Démocratisation de l'Économie*. I understand that they have an allowance. They have a car and a driver's allowance. Under which code is it because we don't find any?

**The Chairperson:** *Commission de la Démocratisation de l'Économie* has nothing to do with the National Assembly.

**Mr Baloomoody:** But, allowance is given to MPs.

**The Chairperson:** No, no. I am sorry! I am telling you that is totally different. It has nothing to do with the National Assembly.

**Mr Baloomoody:** I have been informed that the President and the Deputy President of the *Commission de la Démocratisation de l'Économie* get a certain allowance, so we want to know under which Code from the Budget. They have an official driver. They have a Government car.

**The Chairperson:** The Commission for the Democratisation of the Economy does not exist under the National Assembly.

**Mr Baloomoody:** This is exactly my question.

**The Chairperson:** Well that question can be asked to the Prime Minister when we come to the Prime Minister's budget.

**Mr Ameer Meea:** Chair, on page 19, under *Item No. 22900 Other Goods and Services*. There is an amount Rs7 m. May we know the details and the breakdown of it and also why there has been a substantial increase from Rs4 m. to Rs7 m.?

**Mrs Labelle:** On page 18, under *Item No. 22060 Maintenance*, may I know whether this sum includes cost for the restoration of the painting? I often ask this question. Does this amount include the cost for the restoration of the paintings?

**The Chairperson:** Can I just give the hon. Member a straight answer; it has already been done.

**Mr Obeegadoo:** On page 19, under *Item No. 22040 Office Equipment and Furniture*, just a simple question with regard to the refurbishment of the old premises. May we know what specific facilities in terms of equipment and furniture will be provided to MPs within the next financial year?

**The Chairperson:** Can I just draw the attention of hon. Bhagwan and hon. Obeegadoo that we have a House Committee which is chaired by the Deputy Speaker and any complaints of hon. Members as to their comfort can be addressed to that Committee. Once complaints regarding the changing of furniture are addressed to the House Committee, recommendations are made and the office of the National Assembly will address these issues and give satisfaction to hon. Members.

**Mr Bhagwan:** With all due respect, I am a Member of that Committee.

**The Chairperson:** Yes.

**Mr Bhagwan:** I am not putting a blame on the Chairperson for whom I have a lot of respect. I think you realise the conditions: we have not been sitting; there have been political problems and so on. Can I appeal to you, Mr Chair - it is also your responsibility with all due respect to you. We are Members of the House, we will be working late till tomorrow morning and even the day after. Apart from that Committee, there should be respect for Members, at least, for their comfort.

**The Chairperson:** No, the premises are now being renovated and that will be under my administration. I will invite hon. Members to see me and make suggestions for their comfort. I am going to take that on board and give satisfaction to hon. Members.

**Mr Obeegadoo:** Mr Chairperson, far from the idea of voicing a complaint, I was just asking a factual question. Right now, for all the 60 or so Members of the House, the only place we can go to is the smoking there, that is there. So, I was simply asking, as a matter of fact, for the next financial year, whether some provision is being made for a desk and telephone facilities for individual Members if we do not want to go and smoke. It is just a factual question.

**The Chairperson:** I will again tell the hon. Member that I am sorry. The administration of Parliament House is on the responsibility of the Speaker, according to the Standing Orders. Once the building is ready, we are going to make provisions for the comfort of hon. Members. Before doing that, I am going to consult Members, the Whip of the Opposition, the Chief Whip of the Government and any other Members and the House Committee to see how we can provide some comfort and some facilities to hon. Members. I hope that hon. Members will take my word and accept what I am saying.

**Mr Obeegadoo:** My next question is: are we providing for an office for the Leader of the Opposition?

**The Chairperson:** When we come to the bridge, we'll cross it.

**Mr Baloomoody:** We'll go to page 20 now?

**The Chairperson:** Yes.

**The Prime Minister:** The answer to part of the question...

**The Chairperson:** Yes, Prime Minister.

**The Prime Minister:** I am glad that...

*(Interruptions)*

I am not sure where actually they are saying. Is it where the Opposition meets?

*(Interruptions)*

All of us! I do not go there.

*(Interruptions)*

I never go there. When I was in Opposition yes, but not now! I know you are going to be there for a long time. So, you want to make sure. From what I see, there is also provision for furniture and it is a good idea if you prevent smoking. It's very good! I do not know whether it should be banned. Somebody asked me a question about maintenance. This is not just the buildings, plants, equipment, vehicles, IT, equipment again, the contract agreement with Harel Mallac to maintain the public gallery system in the Chamber. These equipment and furniture, as I said, fixtures and fittings!

There was another question on other goods and services. I think he wanted detailed things. Well, the provisions are for uniforms: Rs60,000, for catering: Rs6,800 m., for hospitality and ceremonies: Rs450,000. Just for the enlightenment of the hon. Member, the Commission for Democratisation, I thought, he would have known, comes under the PMO.

**Mr Ameer Meea:** Under *item No. 21 Compensation of employees*, there has been a slight decrease in the total sum and on the same thing, there has been an increase in the number of staff by three. May we have an explanation why the sum has decreased and, at the same time, the number of staff has increased?

**The Prime Minister:** Well, the sum has not decreased. You yourself said that the numbers have increased, but you said the sum has decreased. These are estimates as you can see. But it is probably because the three of them are not on board yet. So, if they are on board, they will be increased.

**Mr Jugnauth:** I completely agree with what you just said earlier with regard to the House Committee, but if the Prime Minister can answer, it is for noting. With regard to facilities allowance, I know that we are very thankful that we are able to get a laptop for our work. Is it possible to have a Wi-Fi connection with regard to the setting of the National Assembly?

**The Prime Minister:** We will look into it. I will pass it on.

**Mr Obeegadoo:** Under item 26210006 – *Contribution to Commonwealth Parliamentary Association African Region Secretariat*. We have a quite significant increase. So, just a factual question, I wanted to know whether there is any special function or event occurring next year that justifies the increase.

**Mr Baloomoody:** On the same page, Mr Chairperson, under *item 26210010 - Contribution to SADC Parliamentary Forum*, may we know when was the last time a delegation from Parliament attended that meeting?

**Mr Lesjongard:** On the same page, with regard to *item 31112421 – upgrading and Refurbishment of Old Government House*, can we have an indication from the hon. Prime Minister how much has been budgeted under that item for valuation of works?

**Mr Uteem:** Sir, on the same page, under item *31132401 - e-Parliament projects*, may we know from the hon. Prime Minister what projects these relate to and who won the contract?

**Mr Bodha:** Mr Chairperson, can we ask the hon. Prime Minister what is the percentage of works which have already been carried out and whether there is a difference in the initial budget and whether there has been any variation?

**The Prime Minister:** Mr Chairperson, last week...

*(Interruptions)*

...I answered a question on this giving all the details, how the contract was given, how the tender procedure was done, how much has been given. I gave more details on this. What is the point of asking me a question if you are going to ask me the same type of question again? Anyway! The increase to contribution for the Commonwealth has been increased from 2,500 dollars to 5,000 dollars.

As for the SADC Parliamentary Forum, as far as I know, every time there is a need for participation, we send somebody. I am not aware of anybody...

*(Interruptions)*

No, no, they go when they need to go. Maybe, you are not aware. They go because I approve.

*(Interruptions)*

But I am the one who approve, not you.

**Mr Baloomoody:** No Members of the Opposition have been invited.

*(Interruptions)*

**The Prime Minister:** I am going to show you my file. Come in my office when I am approving this.

*(Interruptions)*

**Mr Baloomoody:** The delegation for the SADC Parliamentary Forum insists that there should be a Member from the Opposition. May we know who is the Member from the Opposition who has attended that meeting for the last three years?

**The Chairperson:** Since the last general election, we have not been able to participate in the SADC Parliamentary Forum, because every time Parliament was sitting and we decided not to participate, but we cannot stop the payment of our contribution. We are continuing to pay the contribution. We have not participated since the last general election. The next time, we will seize the opportunity, we will participate. The Opposition has always been participating; the Prime Minister appoints.

*(Interruptions)*

No, I am sorry! This is the problem; you do not expect the Prime Minister to know the internal function of Parliament. Next! Page 21!

*(Interruptions)*

**Mr Baloomoody:** Mr Chairperson, let me tell some hon. Members that we do not want to *voyager*, we want Parliament to function. They should remain quiet.

(*Interruptions*)

**The Chairperson:** Hon. Patrick Assirvaden, can you remain quiet?

(*Interruptions*)

Yes, you have to remain quiet. I am telling you to keep quiet. Do you understand that?

(*Interruptions*)

And do accept and obey! Right! Page 21.

**Mr Baloomoody:** Mr Chairperson, we found under *Programme Code 031 Parliamentary Affairs*, there is a list: Speaker, Deputy Speaker, Leader of Opposition, PPS, Deputy Prime Minister and all this. We don't find anything with regard to President or vice-President of the *Commission de Démocratisation de l'Economie*. Can we ask the hon. Prime Minister on which item their allowance, their driving allowance ...

(*Interruptions*)

Mr Speaker told me that it was not on the item.

(*Interruptions*)

**The Chairperson:** I am sorry to interrupt the hon. Member. The Prime Minister has just said that these allowances are paid under the budget of the PMO. The hon. Member should wait for the budget to come and then he will ask the question. He cannot lose the time of the House.

**Mr Barbier:** Mr Chairperson, at page 21, under *item 081744 Word Processing Operator*, I would like to know why there is no provision for such cost for this coming budget?

**The Prime Minister:** Maybe hon. Baloomoody has not heard, it is under the PMO. It normally means that there is no need for them here. Probably, that is what it means.

**Mr Obeegadoo:** At page 21, under the total number of staff attached to the office of the Clerk, to the extent that we are expecting by next year a report from the Select Committee on live broadcasting of proceedings within the House. Should there be a recommendation in favour of live broadcasting accepted by Government, will we have provision for payment of whatever salaries or fees for additional staff that may be necessary?

(*Interruptions*)

**The Chairperson:** This is a hypothetical question. We will have to wait for the report to come to the House. If the report is approved by the House, then we will have to implement. When we will implement, then we will make provisions for whatever number of officers we will need.

**Mr Obeegadoo:** If I may rephrase the question, would the hon. Prime Minister tell us whether there is any project value that has been attributed to such a project?

(*Interruptions*)

**The Chairperson:** That also is a hypothetical question.

*Programme Code 031 National Assembly (Rs239,278,000) was, on question put, agreed to.*

*Programme Code 041 - National Audit Office was called.*

**Mr Bhagwan:** On which page we are, Mr Chairperson.

(*Interruptions*)

**The Chairperson:** We are starting now.

**Mr Bhagwan:** There is nothing to laugh in that.

(*Interruptions*)

**The Chairperson:** The hon. Member has the right to ask the question. We are starting now.

**Mr Bhagwan:** There are so many pages.

(*Interruptions*)

**The Chairperson:** The hon. Member should choose the pages.

**Mr Bhagwan:** Mr Chairperson, can I appeal to you. We are doing a serious job and we don't want to be provoked. We can be violent as well.

(*Interruptions*)

**The Chairperson:** Yes, I know that.

**Mr Bhagwan:** I am appealing through you. We can reply as well.

(*Interruptions*)

**The Chairperson:** The hon. Member should address the Chair. We are on page 26.

**Mr Bhagwan:** Unfortunately, the Minister of Finance is not here. Under *Programme 041 External Audit and Assurance Services*, may I ask the hon. Prime Minister whether Government is considering, as recommended by the present Minister of Finance when he was Chairman of the Public Accounts Committee, that the audit of the parastatal bodies and Government-owned companies be effected by the Director of Audit. That was a recommendation of the Public Accounts Committee by the then Chairperson of that committee, now the Minister of Finance.

**Mr Ameer Meea:** Sir, under *item 22120 Fees*, there is an amount of Rs2.1 m. May we know the details of it and why there has been a substantial increase?

**Mr Obeegadoo:** Sir, under *item 22040 Office Equipment and Furniture*, there is, according to my arithmetic, a four-fold increase in the budget for office equipment and furniture. We, of course, are all in favour of the work of the National Audit Office, but I know that under the major constraints identified on page 23, there is no mention of office equipment and furniture. Why this very significant increase?

**Mrs Labelle:** Mr Chairperson, under *Programme 041 S4 Audit of Financial Statements of Special Funds and Donor Agencies*, may I ask if a list of these Special Funds and the Donor Agencies, which have been audited, can be circulated later?

**Mrs Hanoomanjee:** Mr Chairperson, on page 23, with regard to the policy of the National Audit Office, can I ask the hon. Prime Minister whether there is a time frame for the application of the risk based audit methodology?

**The Prime Minister:** Mr Chairperson, first of all, for the office equipment and furniture, provision has been made for the purchase of 20 laptops which will cost Rs700,000, computers and printers at the cost of Rs100,000 which is in replacement of the old ones and also office furniture for Rs25,000.

I think the question asked was about the fees. The provision represents fees for training for audit officers, consultants, refund for subscription fees to professional bodies and inspection and audit fees, that is, for the audit of the Account Office. There is one thing that I should say and which perhaps has escaped Members. The audit of parastatal bodies is now being done by the office of Public Sector Governance.

I think there was a question on the risk based audit methodology. This is, I understand, already in application.

There are some 11 parastatal bodies which are outside the purview of the Director of Audit because the Act does not provide for the above. That is why the office of Public Sector Governance is taking this.

I was not quite sure what was the question about the special funds from hon. Mrs Labelle. I cannot find the item.

**Mrs Labelle:** It was regarding the output as stated on page 26, that is, Programme 041S4.

**The Prime Minister:** Is the hon. Member talking about the performance audit?

**Mrs Labelle:** Yes, Mr Chairperson.

**The Prime Minister:** It is being done by the operational audit, from what I understand. That is my understanding.

**Mr Bhagwan:** The hon. Prime Minister has replied for the office of the Audit.

**The Prime Minister:** No, I meant the operational audit.

**Mr Soodhun:** Mr Chairperson, at page 27, *item 22060 Maintenance*, there is major reduction in the amount by Rs875,000. Can I have some details as to this reduction?

**The Prime Minister:** Every year we have provision for maintenance of equipment, of vehicles. This is same.

**Mrs Hanoomanjee:** At page 27, under *item 22120 Fees*, I see there is a substantial increase in the provision for fees. Can we know to whom these fees have been paid, for which services and why is this substantial increase?

**Mr Jhugroo:** *Item No. 22120 – Fees*, can I know whether it includes the auditing of the Audit Bureau, if so, who does the auditing?

(*Interruptions*)

**Mr Seeruttun:** For *Item No. 22120* again, I can see that from 2010 the fees go up to Rs2.155 m. in 2011 and then goes down to Rs1.540 m. in 2012 and goes up again, so why that fluctuation into the fees from one year to the other?

**The Prime Minister:** I just answered for the training, Mr Chairperson. I just explained for the Audit officers, consultants. There is also inspection and auditing. Who oversees the Audit?

**The Chairperson:** I think we will have to assign the Prime Minister to supervise the Audit Bureau.

**Mr Bhagwan:** I have not been given the reply about whether consideration will be given for the National Audit Office to audit the Government owned companies accounts.

**The Prime Minister:** All I know is that the parastatal bodies are audited by the office of public sector governance because I think that there are some parastatal bodies which seem to be outside the purview of the Director of Audit as the Act does not provide it. That is why it is being done that way. They are subject to a complete audit by well-known firms. I am also told they are audited by private firms.

**Mr Jugnauth:** With regard to the audit of those special funds and their donor agencies, are the officers who carry out the audits being paid a special fees by those funds and agencies?

**Mrs Hanoomanjee:** Mr Chairperson, I do not know whether the hon. Prime Minister said that with regard to *Item No. 22120 – Fees* – that it relates to training. Did he say that, if so, can we know what training it was, who offered the training and whether this was done through a tender exercise?

**The Prime Minister:** As I explained, the training is for audit officers, how they chose the audit officers, I am not sure. But there are also fees to consultants and they also include the refund for subscription fees to professional bodies and inspection and audit fees, that is, the audit for the accounts of the office.

I must say for the special funds they have not yet submitted their accounts for auditing.

**Mr Obeegadoo:** On the *Goods and Services*, this is where there appears to be a significant increase in sums budgeted, more particularly, in regard to *fees* again. May we be enlightened as to the purpose of the additional money being approved?

**The Chairperson:** Is there any other question on page 28? No.

**The Prime Minister:** For the *Goods and Services*, we have the *fees* that have increased, from what I see here, Mr Chairperson, there are the cost of the utilities, of the rent and different fees for training on IT audit and refund of subscription fees to professional bodies.

*National Audit Office – Programme Code 041: External Audit and Assurance Services (Rs 98,732,000) was, on question put, agreed to.*

*Public and Disciplined Forces Service Commissions – Programme Code 051: Public and Disciplined Forces Service Affairs was called.*

**Mr Uteem:** Mr Chairperson, on page 33 under *Item No. 22030 – Rent*, I see that it is budgeted that there will be an increase in *rent* and, at the same time, we know that there is the construction of new premises. May I know from the hon. Prime Minister why is it that we are continuing to rent and increase rent when we are going to construct new premises for it?

**Mr Baloomoody:** On the same page, if I may, *Item No. 22120 – Fees*, may we have some particulars about the fees for which we have been asked to pay Rs2,130,000?

**Mr Obeegadoo:** Mr Chairperson, under Item No. 21 – *Compensation of Employees*, one very hot issue recently has been the question of delegated powers, of course. May we know whether the amount on *Personal Emoluments* will allow for the Public and Disciplined Forces

Service Commission to undertake more of the tedious work of shortlisting of applicants and interviews so that we may limit the significance of delegated powers within the next financial year?

**Dr. S. Boolell:** For *Item No. 22170 – Travelling within the Republic*, could we have some clarification on how far are we travelling within the Republic and why is it doubling from Rs200,000 to Rs450,000?

**The Prime Minister:** Let me start by this one. This is for travelling, when we say within the Republic, as you know, the Republic includes Rodrigues and the provision is in respect of air tickets and for board and lodging for the conduct of examination and interviews in Rodrigues.

As for the fees, they are for training. Provision has been made to enable officers to benefit from training opportunities relevant to the needs of the Commission. There are fees in connection with examination and interviews; there are fees to the Mauritius Qualification Authority.

As for the *Personal Emoluments*, the basic salary for 109 funded positions. There is salary compensation and the provision for the payment of that salary compensation for the eligible officers. There are extra remuneration allowances which include responsibility and *ad-hoc* allowance payable to the Chairperson and two Deputy Chairpersons and eight Commissioners. There is also extra assistance, cash in lieu of leave against unutilised sick leaves again for eligible officers and end-of-year bonus.

There was a question about *rent*. The provision for payment of rental building accommodation for PSC sub office is at Frederic Bonnefin Street. I am told, Mr Chairperson, that the actual building of the Public and Disciplined Forces Service Commission which is at Forest Side, there is a new wing which will be constructed on a plot of land which is adjacent to the Head Office of the Public and Disciplined Forces Service Commission. A sum of Rs11m. has been allocated for that, but the total estimated project is Rs34.8 m. I understand the project will span over two years.

**Mr Baloomoody:** On the same page, I found that we are renting premises but we have a sum on *Item No. 22060 – Maintenance for premises* Rs2,145,000. May we know which building we are maintaining? Is it the rented building that we are maintaining or is it for the maintenance?

**The Prime Minister:** When they say maintenance, it does not just cover the building, it covers the equipment, the vehicles, the IT equipment, the furniture and fittings, the grounds and I think the plant equipment. For the building it is just minor repairs.

**Mr Jhugroo:** Under *Item 31112001, Construction of New Wing*, can we have some clarifications where ...

**The Prime Minister:** Which page?

**Mr Jhugroo:** Page 34!

**The Chairperson:** Which item?

**Mr Jhugroo:** Under *Item 31112001, Construction of New Wing*, can we have some clarifications regarding whether the construction works have already started or when will it start? Where will be the construction situated and whether all the tender procedures have been done?

**Mr Ameer Meea:** Under the same item, I was asking - just to finish on that issue - what is the contract value of the new wing?

**The Prime Minister:** Mr Chairperson, I have already given this answer. I don't know what they are doing, they are not listening. I have already given this answer on the new wing. But, I can say it again. The new wing will be constructed as I said on a plot of land, which is adjacent to the Head Office of the Public and Disciplined Forces Services Commission. The total estimated project value is Rs34.8 m. and the sum of Rs11 m. has been allocated for this Budget. In the meantime, we are renting another, as I have explained.

**The Chairperson:** Page 35!

**Mr Obeegadoo:** At page 35, Mr Chairperson, if I may have a second try. The only increase in position here is for officers under *item 081848*. So, may I ask again - I am sure that the hon. Prime Minister won't mind, I had put the question earlier - whether the provisions we are making for next year, will allow for the curtailing of the practice of delegated powers, so that the Commission itself can handle more of the work of processing of recruitments and applications, so that there is a greater perception of fairness and transparency.

**The Prime Minister:** There was a debate in the House, when the former Minister of Finance presented the Budget and I mentioned it again, the delegated powers are already there. It all depends on how much because we will not be able to increase by so many Clerical Officers but, obviously, that is what we would like to do. That is why the increase is there.

*Programme Code 051: Public and Disciplined Forces Service Affairs (Rs65,536,000) was, on question put, agreed to.*

*Programme Code 061: Ombudsman's Services was called.*

**Mr Obeegadoo:** I note on page 37, Mr Chairperson, that the major constraint identified is: “the non-observance of the deadline allowed to Authorities concerned for the submission of comments, delaying the finalisation of cases”. Now, looking at the specific amounts budgeted on pages 40 and 41, I fail to see how this issue will be addressed – as you may know what is suggested on page 37 is follow-up actions by issuing reminders and so on. I just want to know specifically, since this is the major constraint how we are providing additional resources to the Ombudsman Office to address this major challenge?

Now, specifically under item 21, there is an increase in compensation of employees, I want to know whether that specifically addresses the constraint I have just mentioned.

My second question is, under *item 21210, Social Contributions*, nonexistent for 2011, but Rs100,000 for 2012. Just for a matter of clarification – may we know what is intended in that respect?

Finally, under item 22030, *Rent*, there is a 20% increase roughly, may we know again what is being envisaged here?

**The Prime Minister:** First of all, let me speak about the measures taken to address the constraint. I believe that the Responsible Officers of Ministries and Departments have been asked to give explanations why they delayed to address these constraints. They have been pressed upon that they should have time to reply by issuing reminders thereto. That is what they are doing.

As for the rent, it is the provision representing the rental of building at the Bank of Baroda and rental for parking slots.

As for the social contributions, the provision for the payment of contribution again is to National Savings Fund for the staff of the Ombudsman Office.

**Mr Jugnauth:** I have a follow-up question on the summoning of Responsible Officers. May I know what measures are being taken to see to it that officers, in fact, do attend the office of the Ombudsman, so that the required information or explanation is being furnished?

**The Prime Minister:** This is what I was explaining. First of all, they have been asked to give explanation then there will be time to reminders that they have to go on whatever and they will be organising site visits as well.

**Mrs Labelle:** Mr Chairperson, one way of facing the challenges is effecting site visits. But, when we look at item 22170, *Travelling within the Republic*, the amount remains the same for years and even the other items of *Other Goods and Services* remain the same. I would like to ask the hon. Prime Minister whether this way to meet this challenge is being taken care of in this Budget, that is, effecting visit. Are we taking care of this in this Budget?

**The Prime Minister:** The item has remained the same because – I suppose that I am saying this – the provision is in fact, for working trips to Rodrigues and the accommodation cost. Perhaps they have worked out and these are limited for so many numbers, so there is no need, but I am sure if ever there was a need, this will be provided for.

*Programme Code 061: Ombudsman's Services (Rs8,000,000) was, on question put, agreed to*

**Mr Obeegadoo:** Page 42, Mr Chairperson.

**The Chairperson:** I have said pages 41 and 42.

**Mr Obeegadoo:** Mr Chairperson, you did say 20 minutes for an item. There have been very few questions on this item.

**The Chairperson:** It has been voted and next time you will come with it.

*(Interruptions)*

So, I will have to recommit the vote. Do you want me to recommit the vote?

**Mr Obeegadoo:** Yes, Mr Chairperson.

**The Chairperson:** The question is that the vote be recommitted.

*Question put and defeated.*

**The Chairperson:** They said no; what can I do.

**Mr Obeegadoo:** With due respect, Mr Chairperson, on a point of order, this is a very democratic function, which takes place once a year. You, yourself, Mr Chairperson, have agreed that we will go page by page and 20 minutes for an item. Out of fairness to all hon. Members of the House, trying to do their job, I think that we should be allowed some leeway to ask our questions.

**The Chairperson:** I did not recognise you.

**Mr Obeegadoo:** I thought that it was not called.

**The Chairperson:** If it is my mistake, I apologise to the hon. Member.

**Mr Obeegadoo:** Page 42 was not called, Mr Chairperson.

**The Chairperson:** I apologise to the hon. Member if it is my mistake.

*Programme Code 071: Supervision of Electoral Activities and Review of Electoral Boundaries was called.*

**Mr Bhagwan:** *Supervision of Electoral Activities and Review of Electoral Boundaries*, can I know from the hon. Prime Minister what is the faith of that report Electoral Boundaries Commission, whether we have a report and the hon. Prime Minister was supposed to lay it on the Table of the National Assembly.

Secondly, can I know from the hon. Prime Minister whether the Electoral Boundaries Commission has been involved in the preparation of a new delimitation of a Municipal Ward as per the draft which has been circulated in the First Reading, the draft of the Local Government Bill where we have a delimitation of a new ward, which has been circulated to us. Can the hon. Prime Minister inform the House whether these delimitations have been carried out solely by the Electoral Boundaries Commission?

**Mr Obeegadoo:** Mr Chairperson, I have two questions. The first question is at page 43, the general vote of Rs4 m. for *Supervision of Electoral Activities and Review of Electoral Boundaries*. Hon. Bhagwan raised a question, and I want to put it in a different way, very calmly and sweetly to the hon. Prime Minister. What is the point of us voting Rs4 m. if the Electoral Boundaries Commission, which is bound to submit a report every ten years, if I am not mistaken, does produce such a report and the report is not tabled for debate before the House? Why are we being asked to vote Rs4 m.? As I said, I am asking it very calmly. I would like, in a democratic spirit, to have a direct answer to that question.

Secondly, on page 44, under item 21110 - *Personnel Emoluments* ...

**Mr Ameer Meea:** Under item 21 - *Compensation of Employees* on page 44...

*(Interruptions)*

**The Chairperson:** We are on page 43. Any question on page 43?

**The Prime Minister:** First of all about the report, I think there was a question to that in Parliament. The reason is very simple, and that is why we are asking for the vote. As we did say - in fact, today I have mentioned that - we are looking at the report on the electoral reform, which

is going to be submitted in December. From that, the House will decide then whether we will adopt the report, whether we will try to modify or whatever. I don't know how the discussions will go. But that report is now imminent. That is why we have not put the other report, because this is going to affect - of course, it is linked - how the constituencies are. It may well do. So, I have to wait for that report. That report is coming in December after the Electoral Supervisory Commission will work on it.

I think there was question about the delimitation of the wards for the municipal elections. The answer is no, but the Electoral Commissioner's Office has done so with the Ministry of Local Government. There will be further consultations with other stakeholders, which means other political parties.

**Mr Baloomoody:** We are a bit puzzled by the answer given by the hon. Prime Minister. The law says it that the Electoral Boundaries Commission does submit a report every ten years, and it has to be presented in the House. It can either be adopted or rejected *in toto*; it cannot be amended. Now, we are being informed that there is another Commission which is going to look about the boundaries issues. We were informed that the Commission was going to look at the electoral reform and not about boundaries. The question is simple from my hon. friend Obeegadoo. The law says that the report must be laid on the Table of the Assembly. So, may we know whether government intends to lay that report on the Table of the National Assembly? Now, we are hearing about another issue. What is that Commission which is supposed to look at boundaries?

**The Prime Minister:** They are very interested in electoral reform, but they have no idea! How do I know whether the new Commission is not going to say that the boundaries have to be ruled out? They are coming with the report in December. I am going to wait for that report and then submit it. We are not going to do the work, just to please the hon. Member!

**Mr Baloomoody:** It is a very important issue. Can I ask the hon. Prime Minister whether he is prepared to inform the House, and through the House the nation, what are the terms of reference of that Commission which is supposed to submit a report in a very near future?

**The Prime Minister:** The terms of reference were advertised, were sent and were read on television. I don't know whether it was so on the radio. It was clear terms, and that is to look into the whole issue. If you remember the Sach's Report which the hon. Member's party and the MSM commissioned, which we agreed with, it drew our attention to the fact that there are some

constituencies where you have very few electors and some other constituencies where you have a large number of electors. In that report, it makes comments that this should be addressed. How do you address it? You would have to look at the boundaries. The new Commission has also said - the report is not out yet - that this is an issue they find has to be addressed. They are going to give the report in December. After that, if suppose they say it, I will have to get in touch with the Electoral Supervisory Commission to see what they are saying, and then we will discuss. That is all; simple answer as well!

**Mr Lesjongard:** Mr Chairperson, on page 43, *item No. 071 – Supervision of Electoral Activities and Review of Electoral Boundaries*, with regard to delimitation of municipal wards, I understand from the hon. Prime Minister that the work is yet to be completed. Can we have an indication when it will be completed?

**The Prime Minister:** Before the end of the year; very, very soon.

**Mr Obeegadoo:** The general vote 071 is not only for review of electoral boundaries but also supervision of electoral activities. Now, we note that there are a number of elections that are now overdue; municipal, village council, district council, and there is the Rodrigues Regional Assembly Election that is due very shortly. So, are we to understand that we are now voting provision for these elections to be held not in 2011, not in 2013, but definitely in 2012?

**The Chairperson:** Can the hon. Member please repeat the question for me to see whether it is a policy matter?

**Mr Obeegadoo:** Certainly. We, as Members of the House, being invited to approve expenditure estimated at Rs4 m. for next year, having regard to, *inter alia*, supervision of electoral activities since there are a number of elections that are overdue, will the hon. Prime Minister tell us whether this sum includes supervision of electoral activities pertaining to the Rodrigues Regional Assembly, Island of Mauritius municipal elections, Island of Mauritius village council and district council elections in 2012, and not in 2011 and 2013?

**The Prime Minister:** I am not quite in a position to say when, Mr Chairperson. As soon as we finish with the budget, hon. Hervé Aimée will bring the Bill to the House, and then we will be able to look at it. But the funds for the supervision of the electoral activities, from what I understand, will be provided as and when required.

**Mr Lesjongard:** I'll get back to the delimitation of boundaries with regard to municipal wards. The delimitations are already in the piece of legislation which has been circulated. Do we get it from the hon. Prime Minister that these delimitations are not final?

**The Chairperson:** When the Bill will come, then you will discuss the matter.

**Mr Baloomoody:** The hon. Prime Minister just answered that, by the end of this year, we are going to finalise the boundaries for the municipal elections. Now, we have two versions. We have one in the Bill, which has been presented to the House, and there is another one which will be finalised by the end of December. Which is which? Can I ask the hon. Prime Minister, before finalising the one by the end of December, whether all political parties will be, at least, consulted? Because we have not been consulted, as far as the MMM is concerned, and I am sure for the MSM as well. I would like to know whether we shall be consulted or, at least, we shall have a say - although probably we won't have our way - in finalising the boundaries for the municipal elections.

**The Prime Minister:** It is a very fair question. We also in the Labour Party have not been consulted and neither has been the PMSD. But that is what they said; they will consult. I think we are mixing up boundaries for general election and municipal elections. We are talking about municipal elections. When I was talking about Sachs, it was about general election. The boundaries for the municipal election, as you know, he is suggesting new delimitations, which is coming in front of the House. But we will now have to amend the Bill, because of what we say about Rodrigues. As you know, the Regional Assembly and the Members from Rodrigues were not too happy, and we are amending it. We are discussing with the State Law Office. I thought, myself that we could just come with an amendment to say: delete whatever reference is made to Rodrigues. Apparently, not! So, the whole thing will have to be changed, but, as soon as we finish with the Budget, we will come in front of the House.

**The Chairperson:** Page 44!

**Mr Jugnauth:** Can I get some clarification from the hon. Prime Minister? With regard to section 39 of the Constitution, the Electoral Boundaries Commission, as far as I know, they have already submitted their report to Government. Now, do I take it that this report is now going to be subject to some discussion or maybe to amendments or is it a report that is going to be submitted ultimately, when Government decides, to Parliament for either adoption or for rejection? So, I need some clarification on this issue.

**The Prime Minister:** As hon. Baloomoody rightly said and as you are saying, the report can either be rejected or accepted *in toto*. There is no other amendment possible with that report. But what I was saying is that since there might be - it's guesswork, I am not sure but I think because they stressed what Sachs had said in his report. They made it as if a major issue; I expect that they will say that we will have to look at the boundaries for the Constituencies again. Maybe not, but I expect from the way they spoke to me and they wanted to have additional information from the Electoral Supervisory Commission. So, I take it. That is why I want to wait. The report is coming. As soon as it comes, then we will put the report. Now, if the report might well be worthless by the time they finish with it there, but, I suppose, the House will be able to have a debate on the reform. If by any chance we don't agree with the reform, I will put the old report in it.

**Mr Bhagwan:** One last question and one assurance we want to obtain from the hon. Prime Minister. We fully trust the Electoral Boundaries Commission and that is the case for all parties, especially with regard to preparation of all the boundaries. Only once there has been interference, we all know, in 1987. Mr Chairperson, the hon. Prime Minister has just stated that for the new municipal wards, the Ministry of Local Government has prepared the new delimitations with the Electoral Commissioner's Office whom we trust. I can say that we trust the Electoral Commissioner's Office but we don't trust the Ministry of Local Government where you have politicians. So, can we have the assurance from the hon. Prime Minister that this new electoral ward of the Municipal Council to be, there won't be any interference whatsoever; that this work be entrusted solely by the Electoral Commissioner's Office and the Electoral Supervisory Commission?

*(Interruptions)*

There is an electoral agent there we know.

*(Interruptions)*

**The Chairperson:** No. That is not the point.

**The Prime Minister:** The hon. Member just said that he trusted them. So, let's trust them. The Minister does not draw the boundaries. He says, he goes to the Electoral Supervisory Commission and he says that he wants to delimit the thing and they do the work. That is how it will be, I give the assurance.

**Mr Bhagwan:** We trust the hon. Prime Minister's assurance; but, there is an advisor, the Minister's political advisor who is talking everywhere that they have interfered in that report.

**The Chairperson:** The hon. Prime Minister has told you that this is being worked out with the Electoral Supervisory Commission. Last question from hon. Jugnauth!

**Mr Jugnauth:** Again, I am a bit puzzled because, as far as I am aware, the report that has been submitted by the Electoral Boundaries Commission is not subject to any review by either Government or any other Commission. The hon. Prime Minister can correct me if I am wrong. I understand that that report can either be adopted as it is or rejected. So, I heard the hon. Prime Minister saying that there is another Commission that probably in the light of that; we will have to review this now. Who is going to review this report?

**The Prime Minister:** Maybe, there is confusion here. I have just said this cannot - as you said yourself, it can neither be accepted *in toto* nor rejected. There is no other way; there is no other review in that. What I am saying is that the new Commission that is looking at the electoral reform has made a point, they thought it was so obvious that the way the constituencies have been delimited that it is unjust. There is a great imbalance that this - Sachs has rightly pointed out this - has to be addressed. So, I am taking it. I have not got the report yet, but they will say something perhaps similar to what Sachs said; that this has to be looked at. Now, what's the point? Are we bringing the report, vote for it, have a debate and then, throw it in a corner because we will have to reject it if the other one? So, I believe it would be better to wait for that report which is coming, see if they say nothing about boundaries; then, I will bring the report. That is what I am saying.

**Mr Baloomoody:** The issue of boundaries for Municipal Elections; the hon. Prime Minister rightly said that with regard to boundaries, all parties will be consulted. Can I make an appeal to the hon. Prime Minister that, at least, even for the Local Government Elections, for the Municipal Elections, the boundaries for the ward, that all parties are consulted? We have not been consulted with regard to the boundaries and we have some doubts. It may be reasonable doubt, and we have some doubts and we have some serious doubts that there has been some interference by outside parties to *manigancer* so that to ensure that it benefit Party into the other. This is a very important demographic exercise. We are going to reshape the villages. Can we make an appeal for the hon. Prime Minister to ensure that, at least, we are consulted when it comes to the boundaries for the Local Government Elections?

**The Prime Minister:** I think it is very fair, especially if they have in their mind, something might be, somebody might have said something. I think it is very fair in a democratic system that all the parties are consulted and that prevents people from saying - 'Oh, I lost the elections because of this!' It is better that they are consulted.

**Mr Obeegadoo:** I note that under *item No. 21110 Personal Emoluments*, there is a significant increase Rs1.4 m. to Rs2.4 m. I cannot reconcile this with the staffing positions by programmes on page 45. I would be grateful for some enlightenment.

**Mrs Labelle:** Mr Chairperson, regarding *item No. 22120 Fees*, there is a constant decrease for the coming years. May I ask the hon. Prime Minister whether there is any particular services which will not be useful in the coming years and, if so, which services it is? Because, from Rs1.3 m. to Rs1 m., Rs500,000 for the coming years.

**The Prime Minister:** Mr Chairperson, I did not quite hear what item hon. Obeegadoo was referring to. I am sorry; if you could say it again.

**Mr Obeegadoo:** I just referred to *item No. 21110 Personal Emoluments* on page 44. That indicated a significant increase in budgetary provisions and I said hon. Prime Minister, that I could not reconcile this with staffing positions as indicated on page 45. So, I just wanted some clarifications why personal emoluments were increasing by so much whereas there are no new staffing positions envisaged.

**The Prime Minister:** In fact, to answer that question, there are new members. Apart from the Chairperson, the Secretariat, the six members, the supporting staff, part-time members, there is also, as far as I remember, two advisors that they have taken on contract, I think, from March of this year. There was a question in Parliament I mentioned; that explains part of it. There is also, I think, the end-of-the-year bonus which is also payable to them.

As for the payment of legal fees for court cases which may be entered in the Supreme Court related to eventual electoral petitions following elections in the year 2012, I take it that there are no more petitions coming up.

**The Chairperson:** Pages 45, 46.

**Mrs Hanoomanjee:** On page 46, please, I see that usually additional...

**The Chairperson:** I am sorry.

*Programme Code 071: Supervision of Electoral Activities and Review of Electoral Boundaries (Rs4,000,000) was, on question put, agreed to.*

*Programme Code 081: Electoral Services was called*

**Mr Baloomoody:** On page 46, we find that one of the major constraints of the Electoral Commissioner's Office is to recruit additional temporary staff to enable the Electoral Commission to deliver its services on time. Can I ask the hon. Prime Minister what provision has been made for that additional temporary staff so that the Commission can ensure that it completes its works on time?

**The Prime Minister:** If there is a request I will certainly agree to it.

**Mrs Hanoomanjee:** On that same item, recruitment of additional temporary staff, can we know from the hon. Prime Minister what is the methodology used for the recruitment of the staff?

**The Prime Minister:** It has absolutely nothing to do with the methodology of the recruitment of staff of the Electoral Commission. I would have hoped the hon. Member would have known this. I have nothing to do with this.

**Mr Baloomoody:** On page 49, *Programme 081 - Electoral Services*. Under Item No. 22 – *Goods and Services*, we find that sum has gone to Rs243,294,000. May we know for what specific event this sum has been budgeted?

**The Prime Minister:** From what I see here, Mr Chairperson, I would have thought this is what it says here: Compensation of employees, Goods and Services, Subsidies, Grants and Acquisitions of Financial Assets. I think they are referring to these - unless I am wrong, I will be giving the details afterwards.

**Mr Bhagwan:** On page 50, *Item No 22120016, Fees in connection with Election*, we have a vote of Rs 200 m. Can the hon. Prime Minister give us the details of which election it is? Is it the Municipal Election which is scheduled to be held this year or is it that there will be General Elections next year? For what election exactly is this sum of Rs 200 m. earmarked?

**The Prime Minister:** Well, it is clear from the sum that it cannot be for General Elections. It is too low for General Elections. Obviously, it is for the Municipal Election.

**Mr Bhagwan:** Can I take it from the hon. Prime Minister that we are not having the Municipal Election this year?

**The Prime Minister:** It could well be this year - who knows? We can have it this year if you want to.

*(Interruptions)*

**Mr Jugnauth:** Well, I don't know because the hon. Prime Minister said we can have it this year, but it looks like it won't happen this year. Although the Municipal Election will be held next year, - as budgeted - may I know about the Rodrigues Regional Assembly, is it also being scheduled for next year? Is this included in the Budget for next year?

**The Prime Minister:** No, the Rodrigues Regional Assembly is separate; I think this is just for the Municipal Election here.

*Programme Code 081: Electoral Services (Rs268,061,000) was, on question put, agreed to.*

*Programme Code 091: Employment Relations Tribunal was called*

**Mr Baloomoody:** Can I refer the hon. Prime Minister to page 52, where one of the major constraints of this Tribunal is lack of human resources to cope with an increasing number of cases? We find that there has been no increase in the number of personnel, it was 22 and it remains 22. Can I ask the hon. Prime Minister what we really intend to do with this Tribunal, because for it to function properly it needs staff?

**The Prime Minister:** I will tend to agree they need staff. My understanding is that they have not worked it out – that is what I understand, maybe I will be given some indications. A second vice-president has been appointed during 2011. The post of Registrar has been advertised, but it has not been filled yet. There will be a post of Shorthand Writer which will be filled in 2012, that is, next year.

From what I understand, more time is being set by the Tribunal at the pre-hearing stage and the Tribunal is already functioning as an e-Tribunal as documents are now accepted by emails. With the forthcoming implementation of the digital hearing system, Minutes of Proceedings will be recorded more rapidly so that decisions will be taken more rapidly. The project, I believe is in two phases. Phase I of the project will be completed in December of this year while Phase II is said to be completed in September of next year.

**Mr Obeegadoo:** On page 52, as pointed out, I believe by hon. Baloomoody, the major constraint identified is the lack of human resources to cope with an increasing number of cases. Hon. Baloomoody, I understand, just asked a question: how do we reconcile this with the same number of staff in 2012 and 2011? I have one further question: how are we to reconcile, on the one hand, the lack of human resources and, on the other hand, no increase in the staff as presented to us and the fact that, as at present, members of the Tribunal are conducting in a

private capacity, disciplinary committee hearings on the very premises of the ERT within normal office hours?

**The Prime Minister:** The hon. Member already said about the administration - that I cannot go into. I just answered the question of hon. Baloomoody. I cannot understand why the hon. Member is repeating the same questions; I will repeat the same answer.

During 2011, a second vice-president has been appointed. The post of Registrar has been advertised but it has not filled yet, but it will be filled shortly.

In 2012, there is a post of Shorthand Writer which will be filled. They say that more time is being spent by the Tribunal at the pre-hearing stage and that with the appointment of the new vice-president the Tribunal is increasing the number of meetings prior to hearings so as to dispose of a larger number of cases. They also said that the Tribunal is now functioning as an e-Tribunal, which it wasn't before. Obviously, as any Tribunal, documents are then sent by emails. There is no need to get somebody to put it in an envelope, to go and take a bus and hand it there. You send it by email. So, it is saving time. You do not need for 50 people to do that anymore. That is also one of the issues that they are saying. They are also saying that with the new digital hearing system, the minutes of proceedings will be recorded. Therefore, this will again be more rapid. There are two phases about the digital hearing system; Phase I will be finished in December and Phase II by September 2012.

**Mr Baloomoody:** With the due respect to the answer of the Prime Minister there is, in fact, as said in the Budget itself, a lack of human resources to cope with the increase number of cases. This is the major constraint I stated in the Budget. On the other side, we have members of the tribunals who are conducting private work, disciplinary committees using the equipment, the staff and the premises of the tribunal to do private work when, at the same time, they can't cope with overload of work. Can I ask the hon. Prime Minister..

**The Chairperson:** Whether, in fact, they are doing private work?

**Mr Baloomoody:** They are! As a fact, we know. We are practising barristers, we know. I am not going to mislead the House, you can rest assured. I am talking about facts; this is what is happening. Can I ask the hon. Prime Minister to see to it that, at least, when we vote for public funds for staff, for equipment, for maintenance, they are not being used for private services.

*(Interruptions)*

They are used for private services! And to ensure that whatever staff we have at this tribunal is being used to its optimum to do public work?

**The Prime Minister:** I think the hon. Member is right. If you can't cope, you can't be doing private work. But I must say, I am told, that they are not doing private work. That is what I have been told. Now, whether the hon. Member can tell us differently! Also I have been told that if they feel there exist vacancies that need to be filled that would be also addressed.

*(Interruptions)*

**The Chairperson:** What did the hon. Member say? The Prime Minister said they are not doing private work.

*(Interruptions)*

**Mr Baloomoody:** But can we be allowed to give some information to the House?

**The Chairperson:** The hon. Member will have to take the answer which had been given to the Prime Minister from the officers in good faith. Now if he has information otherwise, he will never end. If he has any evidence as to the fact that they are doing private work, he can raise the matter at Adjournment time or at any other time.

**Mr Baloomoody:** I will come at Adjournment time and raise that matter.

**The Chairperson:** Yes.

**Mr Baloomoody:** I will go, according to your ruling. Of course, I will come at Adjournment time and enlighten the hon. Prime Minister.

**The Chairperson:** Yes, fair enough! Hon. Uteem!

**Mr Uteem:** Mr Chairperson, under *item 2212002 - Fees to Chairman and member of boards and committees*, may I know from the hon. Prime Minister what committees and boards are we talking about here?

**The Prime Minister:** I don't have the details, Mr Chairperson. I know they have different committees; but what exactly, I will give it in a minute.

**Mr Obeegadoo:** Under *item 22030 Rent*, we are voting an amount of Rs4.8 m. for rent of premises and the ERT is very conveniently housed at Newton Tower, a very appropriate accommodation. Can we have the assurance of the hon. Prime Minister that the amount of Rs4.8 m. and the rent will be only for official business of the tribunal and not for any private business?

**The Chairperson:** The Prime Minister has said that they are not doing private work. Hon. Seeruttun!

**Mr Seeruttun:** Under *Item 21 Compensation of Employees*, I can see that the amount proposed is going down year by year and when we look at the number of staff, it remains constant over the years. How do you explain that reduction in the amount being proposed?

**Mr Obeegadoo:** On page 55, under *item 22120002 Fees to Chairman and members of boards and committees*, may we be informed what Boards and committees are being referred to here?

**The Prime Minister:** The same question again, Mr Chairperson.

**The Chairperson:** Yes, the same question.

**The Prime Minister:** I don't know why they are repeating the same question.

**The Chairperson:** We have a lot of work to do. I won't allow Members to repeat questions.

*(Interruptions)*

It was put by the hon. Member. We have to follow and I am not asking the hon. Members not to come forward with this issue of private work being done in the public premises. If they have evidence, they can come at some other time. The Prime Minister has said according to his information, it is not so. If Members have concrete evidence, they can come forward at another time.

**The Prime Minister:** Mr Chairperson, there is a fee paid to the Chairperson of the Civil Service Arbitration Tribunal and members too and the fees for training.

**Mr Obeegadoo:** Mr Chairperson, there is one post of president, two posts of vice-presidents. May we know whether these are full time positions?

**The Chairperson:** Are they full time positions?

**The Prime Minister:** I cannot say at this point. I would think they are, but I will have to double check.

**Mr Baloomoody:** With regard to the scheme of service, may I know whether they have to pledge themselves full time to that specific work at the tribunal?

**The Prime Minister:** Obviously, Mr Chairperson, the scheme of service is decided by the Supervising Officer, not by me. I don't decide on the scheme of service. The hon. Member is asking me to answer a question that I don't know what's in the scheme of service because I don't do it.

*Programme Code 091: Industrial Dispute Resolutions (Rs 21,962,000) was, on question put, agreed to.*

*Programme Code 101: Local Government Human Resource Affairs was called.*

**Mr Baloomoody:** We come to page 58, Mr Chairperson. The major constraint, again with regard to that Commission, is that of shortage of staff at senior management level. When we look at the human resources on page 63, we found clearly that there has been no increase with regard to staff at senior management level. Can I ask the hon. Prime Minister how does he interpret this concern about the LGSC when no senior staff is being provided to them?

**Mr Obeegadoo:** My supplementary question is directly related to what my hon. friend just put. Now, if Government has its way and the new Local Government Bill is voted, then we will have the setting up of new local authorities and new staff ...

**The Chairperson:** Hon. Obeegadoo, with due respect to you, the Bill is before the House. It is a hypothetical question as to whether the Bill will be voted or not. You cannot assume that the Bill will be voted and that it has to be implemented. It is a hypothetical question.

**The Prime Minister:** Mr Chairperson, the question was raised about the Employment Relations Tribunal as to whether the president and the vice-president work full-time.

**The Chairperson:** The Prime Minister has answered it.

**The Prime Minister:** They are full-time. I don't know if the question concerning the shortage of staff will have to be a reconciled list. I would think they are going to say the same thing that they are using new ways of communication; also they say, if there is a need for staff, they will make provision for it. But it does not appear to be at the moment. But, obviously, there will be and I am sure, this will be provided for.

**Mr Lesjongard:** Mr Chairperson, I refer to *Strategic Direction 2012/2014* at page 58. It is said that the Commission will also strive to reduce the time taken for the processing of applications. When we go to *Programme 101 Local Government Human Resource Affairs* on page 60, with regard to the recruitment promotion, the processing time remains the same for 2012-2014, that is, from 8 to 34 weeks and, in the other case, that is, span of processing time for settlement human resources related issues, it increases from 5-10 to 5-12, then they are not striving at all to reduce the time.

**The Prime Minister:** I must say it is a good point but, from what I see, it is probably a question of whether we can do everything at one go. I think that's what it is.

**Mr Uteem:** With regard to the last item: *31132801 Acquisition of Software Web-Based System with Support for Online Applications*, may we know from whom and whether there is a central procurement for all authorities instead of each one applying for its own?

**The Prime Minister:** I know the acquisition is for the online application, but by whom, I will have to get the answer and give you.

**Mr Jhugroo:** I am on the same item. Has there been a tender exercise?

**The Prime Minister:** Normally, in all those cases they do have tender exercise. So, I assume there have been.

**Mr Jhugroo:** At page 63, can I know from the hon. Prime Minister why the contract of the former Chairman, Mr Sookdeo Nathoo, has not been renewed?

**The Chairperson:** That is a policy matter.

**Mrs Labelle:** I am on page 63. Mr Chair, I am a bit surprised that up to now we still use the word Chairman and it is not gender sensitive. If you are talking about gender sensitive, I don't think it is correct that we put this word in the Budget. Thank you, Mr Chair.

**The Chairperson:** Yes.

**The Prime Minister:** I totally agree with the hon. Member. In fact, I have been referring to Chairperson all the time. As for *acquisition of Software Web-Based System with Support for Online Applications*, it's from State Informatics Limited. So, there was therefore no tendering procedure for that.

**Mr Jugnauth:** May I know who is the Chairperson and Members of the Commission?

**The Chairperson:** I am sorry, that is published. No, no! According to the Standing Orders whatever is published in the official Gazette is published in the official Gazette.

*Programme Code 101: Local Government Human Resource Affairs (Rs20,625,000) was, on question put, agreed to.*

*Programme Code 121: Supervision of Broadcasting was called.*

**Mr Bhagwan:** At page 67, Chair, this is the same question I ask every year on IBA.

**The Chairperson:** We will start from page 64.

*(Interruptions)*

**Mr Bhagwan:** I have not finished. Chair, can I appeal to you to ask Members on the other side not to tell us *assizer*. It is not their job.

*(Interruptions)*

**The Chairperson:** No, please address the Chair. Which page are you?

**Mr Baloomoody:** I am on page 64. We know as a fact that we have only one television in this country, it is the MBC/TV. Can I ask the hon. Prime Minister how is it that the IBA, which is supposed to monitor our programme, especially the MBC/TV - we have only one - cannot do that because they don't have equipment? I refer to what they say – the major constraints; they are unable to monitor all TV programmes due to unavailability of appropriate facilities. So, can I ask the hon. Prime Minister whether appropriate facilities are being given to that IBA so that we ensure that the MBC/TV gives an unbiased, faithful...

**The Chairperson:** Put your question here, don't criticise the MBC....

**Mr Balamoody:** No, I am saying as a fact.

**The Chairperson:** Criticising the MBC is a policy matter. Here, we are dealing with budgetary provisions. You have the right to ask: unable to monitor programmes, how is the IBA doing its work.

**Mr Balamoody:** It says - 'The Existing Broadcast Content monitors are not academically qualified in journalism and mass communication'. So, may we know who are these people sitting down there if they are not academically qualified in journalism and mass communication? And who recruited them? How are they being appointed? Now it says again that the IBA Act will be amended accordingly. May we know what amendment we are going to bring to the IBA Act and is it going to be an IBA Act more independent, more accessible to make sure that, at least, they do their work properly?

**Mrs Labelle:** Mr Chair, on the same issue, if I may continue on what my hon. colleague has just said. If we go on page 66, the target is to double the number of programme hours monitored - S2: Monitoring of programme content and the Indicator is: SS1: Number of programme hours monitored. (Radio). So the target is nearly doubled, but what measures are being taken to do so when there is nothing which is being indicated to redress the unqualified person mentioned here as well as the number of personnel who remains the same? The challenges have been described; the target has been described, but we can't see the measures which will accompany this, Mr Chair. So if we can have some clarification. Thank you.

**Mr Bhagwan:** On the same item - at page 64, mention is made of recruitment; service of a part-time legal adviser and also I'll come on the MBC Act. It is the third year I am asking. Is the Prime Minister aware - I think he has given the reply recently - that there is a new *filon* of

making money? Millions and millions of rupees are spent by the IBA to pay outside legal advisers not one million, but five, six, seven million and also going overseas. So, can the Prime Minister inform the House whether it is not time put some order? And if he can also see to it that while amending the IBA Act relevant provisions are made to prevent such abuses. The Prime Minister said himself recently that the IBA is a *bouledogue sans dents*. How many cases are pending before the committee there?

**Mr Obeegadoo:** On the same page 64, Major Constraints, third bullet: 'Existing IBA Act does not address issues concerned with new broadcast platforms.' If the hon. Prime Minister would forgive my ignorance, but could it be explained to us what new broadcasts platforms mean?

**The Prime Minister:** In fact, it relates to the same job. "New broadcast platforms" means that we have changed from analogue to digital. Now the equipment costs a lot of money as you probably realise; it has taken time. At the moment the IBA is only able to monitor the analogue channels; it cannot monitor the digital channels; that is why equipment has to be acquired for them to be able to monitor these channels in digital.

There was a question about the journalists. Unfortunately, there are some very good journalists in Mauritius, but there are some very bad ones too. Very often it can be a problem. So, we are going in the new media law to look at all the issues about training and ensuring that they get proper training. It is a profession. It has to be treated as a profession. The third thing as for the legal adviser from outside, I have taken good note of what hon. Bhagwan is saying and I will personally have a look at that.

**Mr Bodha:** Mr Chairperson, at page 64, we have the handling of complaints. May I ask the hon. Prime Minister about the number of complaints we have this year and what was the outcome of these complaints?

**Mr Bhagwan:** The Prime Minister has mentioned a new platform. So, we are moving towards progress. If I am not mistaken, I have heard the Ag. Director of IBA, Mr Dwarka, making mention about the possibility of having – he was dead sure – private TV channels and he made that statement yesterday morning. Can the hon. Prime Minister inform the House whether at the time of purchasing new equipment, that also is being taken into consideration, whether Mauritius is moving rapidly towards *télévision privée*?

**The Prime Minister:** In fact, that was for the first time in our manifesto, Mr Chairperson, I think in 2005, but there are difficulties for the private television, because the way the law has been made, no private TV operator would want to come in a country and then have less than majority shares. So, this will have to be amended, this is being looked at, at the State Law Office. As you know, other TV supply television is available now. As for the question about the number of complaints, this year, up to 21 November, we have had 17 complaints, 10 complaints have been set aside, two complaints have been found to have no *locus standi* and six are under investigation, including one from 2010.

**Mr Jugnauth:** Mr Chair, I do not see any specific item with regard to legal fees. Has there been any legal fees paid, if so, how much and under what item does it fall, because I do not see that item?

**The Prime Minister:** I was told from hon. Bhagwan that they are paying legal fees.

*(Interruptions)*

No, but you mentioned it just now. So, obviously they must be paying. It might well be falling under the general item of vote for whatever fees they pay for advisers and all that. I will find out.

**Mr Obeegadoo:** If I may follow up on a question asked by...

**The Chairperson:** Which page?

**Mr Obeegadoo:** Pages 66-67, general vote on IBA to follow from a question from hon. Bhagwan and I am not repeating. Since it is now public knowledge that the Chairman of the IBA yesterday morning stated as a fact that 2012 will see private television operators in Mauritius, would the hon. Prime Minister be in a position - since we are voting provisions - to tell us what exactly will happen in that respect? I am not talking about amendment of the law. The Prime Minister has already answered. I am talking about which private television broadcaster and how? Secondly, there is hardly an increase in the provision we are voting. Are we giving the means to the IBA to supervise these new or this new broadcaster is coming into operation next year?

**Mr Baloomoody:** I find on page 66, on the *Monitoring of programme content*, under item *Number of Programme hours monitored*, it says only radio. Are we to understand that the MBC/TV programme is not monitored by the IBA?

**The Prime Minister:** I do not think this is right, because they are also monitored, as I said, the analogue TV channels. I do not know why they have put radio. Maybe this is separate for radio. But in any case, as for the new private television, it has been cleared, even at that time

when you were in Government, none came because of these constraints. That is what has to be addressed. Once this is addressed, then we will move forward, but this is at the State Law Office.

**The Chairperson:** Last question on this code, hon. Uteem.

**Mr Uteem:** Answering to a PQ earlier this year, the hon. Prime Minister mentioned that the IBA will have to be properly constituted, because there were certain disputes as to whether the Board who took the decision was properly constituted or not. May I know from the hon. Prime Minister, since that time, has the IBA Board now been properly constituted?

**The Prime Minister:** We are looking on the whole issue. As I am on my feet, Mr Chairperson, there was a question of how they are paying their legal fees. I am told that it is included in the grant to the IBA by Government.

*Independent Broadcasting Authority - Programme Code 121: Supervision of Broadcasting (Rs8,900,000) was, on question put, agreed to.*

*Independent Commission against Corruption - Programme Code 131: Combating Corruption was called.*

**Mr Bhagwan:** Concerning ICAC, about the Director-General, Sir. There was one of the Commissioners who has passed away. Can the Prime Minister inform the House whether they have been able to find out this new *oiseau rare* to replace the Commissioner who has passed away?

**The Prime Minister:** In fact, we wanted to ensure that there is independence in the choosing. ICAC itself has suggested somebody from inside ICAC itself who will be named very soon.

**Mr Uteem:** On page 68 under item *Major Achievement*, there is a series of figures for preliminary investigation and cases referred to DPP. Can I know from the hon. Prime Minister whether he has any statistics on the number of case actually prosecuted and the number of convictions secured by ICAC?

**The Prime Minister:** Yes, in fact, during my speech on Budget, I mentioned the figures. I do not have it in my head, but I can find out. I mentioned all those figures, how many cases are prosecuted, how many cases are still in court. I did give all this information this afternoon itself.

**Mr Baloomoody:** One of the major concerns allegedly stated by the ICAC is that there is a delay in obtaining itemised bills from different agencies and disclosure by banks. Can I ask the hon. Prime Minister what remedial action ICAC is taking to ensure that we do not have to wait

for months to freeze a bank account and if there has been any delay, why is it that there has been so much delay?

**The Prime Minister:** I do not know if it is on the administration of ICAC. I do not know whether it is the law which prevents them, but I mentioned this morning about the Asset Recovery Bill. You know sometimes from what I understand – because this also happens with the courts - we have to get, not the conversation, but the communication details. You go to a Judge in Chambers, immediately the persons seem to know that their telephone is going to be examined - whoever they talk to, not the conversation, as I said, but the numbers that they have called. That is one of the problems they have. Very often, they change telephone; we will have to look into that, Mr Chairperson.

**Mr Uteem:** Chair, a follow-up from the question of hon. Bhagwan. Being given that there is only one Board member out of two that has been appointed, is the hon. Prime Minister aware if legal advice has been sought as to whether the fact that the Board is not properly constituted will have any impact on the investigation carried out by ICAC?

**The Prime Minister:** You are talking about the Board, one person who has passed away. As I said, I do not want to go and give the impression that we ask for advice from ICAC itself whether there is anybody they can recommend. They have recommended somebody from ICAC itself. So, she will be appointed soon.

**Mr Jhugroo:** Sir, can the hon. Prime Minister explain why, out of 2,428 interviews and interrogations completed, only 79 cases were being prosecuted?

*(Interruptions)*

**The Chairperson:** The Prime Minister cannot answer this, because it's not under his responsibility.

**Mr Seeruttun:** Under the major constraints, it says here that corruption, prevention and education are subject to exigencies of external social factors. May we know what are those external social factors that prevent the conduct of corruption, prevention and education?

**The Chairperson:** Let me remind the hon. Member that I have the Appropriation 2004-2005 Bill here, where hon. Baloomoody himself put a question to the then hon. Prime Minister. There was a long question, and the hon. Prime Minister stated the legal status of the ICAC, and also what question he can answer and what question he cannot answer. He can only answer

questions as regards the budget of ICAC, and nothing more. This is in my hands; it is here for Members to consult.

(*Interruptions*)

Yes, on the budget, on the amount which has been allocated and how it is being spent. That's all.

**Mr Baloomoody:** My question is that we are providing for two members of the Board in the budget. We know that there is only one Member on the Board. Can I ask the hon. Prime Minister whether he is doing away from the practice that he adopted himself when he amended the law, so as to make it that it is the Prime Minister who appoints members of the Board? Now, he is telling us that it is ICAC itself that will recommend somebody on the Board.

**The Prime Minister:** I asked whether they had any names. They have suggested that they would prefer to have somebody who is working at the moment at ICAC, who knows ICAC, who knows how the work is done. It is a very competent person. So, we are going to appoint that person.

**The Chairperson:** At the end of the day, it is the Prime Minister who is going to appoint. He has had a consultation process with ICAC, but he is going to appoint.

**The Prime Minister:** But, because of recent cases, Mr Chairperson, I don't want to be in contact with ICAC. That is one of the basic problems that I have had. Because if I ring ICAC, they would say that I am interfering in cases.

**Mr Baloomoody:** Mr Chairperson, at page 71, under *Programme 131 - combatting corruption*, we find that there are four legal advisers and one senior legal adviser. We find that there has been no increase in the number of legal advisers, and we know as a fact that the number of court cases with regard to corruption is increasing. Can we know whether there has been any request to increase the number of legal advisers, so that we ensure that, first, the cases are properly prepared before going to court and, secondly, that we have early trial with regard to these cases.

**The Prime Minister:** I am not aware that there has been a request, but if there is, certainly we will consider it, Mr Chairperson.

**Mr Jhugroo:** At page 70, can we know from the hon. Prime Minister why the grants have been increased from Rs140 m. to Rs185 m.?

**The Prime Minister:** These are extra budgetary grants. It includes personal emoluments – by that I mean salaries of staff, allowances and all this. There are 171 funded positions there. There is an additional provision of Rs45 m. for the construction of a new building at Réduit. Then, there are maintenance, internal cooperation, capacity building and all these things. The capital grant, therefore, goes to Rs45 m. because of that building.

**Mr Uteem:** As regards the item of capital grant, we see that there is Rs45 m for 2012, Rs100 m. for 2013, and then Rs86 m. for 2014. As the Prime Minister may be is aware, ICAC is already occupying some premises. So, why do they need another building now, and why so much money to build another building?

**The Prime Minister:** As the hon. Member sitting next to him has just said, cases are increasing. Probably they need more space. I would not think they would want buildings if they don't need it.

*Programme Code 131 – Independent Commission Against Corruption (Rs185,000,000) was, on question put, agreed to.*

*National Human Rights Commission – Programme Code 141: Protection and Promotion of Human Rights was called.*

**Mrs Ribot:** Mr Chairperson, at page 73, *Programme 141 - Priority Objectives*, I would like to know from the hon. Prime Minister what measures are going to be taken to ensure that the number of complaints in connection with violation of human rights, sex discrimination and sexual harassment decreases over time.

*(Interruptions)*

**The Chairperson:** Can I stop the hon. Member here? What measures are being taken to ensure that the number of complaints decrease is a policy matter? Here you have to question the allocation of the budget. You can put your second question.

**Mrs Ribot:** Second, how can we justify an expenditure of more than Rs12 m. for a Commission where no members have been nominated for years now and there are only a chairperson and a vice-chairperson? Third, could we have a list of the human resources at the Commission?

**Mr Baloomoody:** All of us are going to ask the same question. There are major shortcomings with regard to the Human Rights Commission. Can I know from the hon. Prime Minister when does he intend to fill in the posts which are vacant with regard to the Human

Rights Commission, and give them the appropriate staff? Because year in year out they come with their report that they don't have sufficient staff to ensure that, at least, they enquire in complaints lodged at the Human Rights Commission. Can we know when the posts will be filled and when appropriate staff will be given to them?

**Mr Obeegadoo:** The Prime Minister will note that the major constraint identified on page 72 relates to the fact that the recommendations of the Commission are not binding, and the suggested remedial measure is simply structured meetings with relevant stakeholders. Since we are being asked to vote Rs12.8 m. for that Commission, which self-avowedly cannot be effective because its recommendations are not binding, what hope does this provision for next year hold out that the Commission will be any more relevant than it has been last year?

**Mrs Labelle:** When I look at page 74 regarding the number of cases of violation of human rights, it is being stated that there is a projection of 52 cases to be examined. May I know from the hon. Prime Minister how many such cases have been examined during this current year?

**The Prime Minister:** First of all, let me explain one thing very clearly, Mr Chairperson. I explained that we decided that we need to have three distinct divisions for the Human Rights Commission - a Human Rights Division, a Police Comprehensive Division and then a National Preventive Mechanism Division. We decided, and I mentioned it in my speech that the hon. Leader of the Opposition mentioned when he was speaking that he thought the section on the Equal Opportunities should be separate. We were not of that opinion at that time because we were told – it's not me - that everybody was working on the law and it was felt that they could all be under one umbrella, then it will save us having to appoint another Chairperson and all those things. Unfortunately, the more we look at it, the more we realize that, because the Equal Opportunities is such an important piece of legislation that we need to have it separately. I acknowledged this during my speech. We are putting it separately. But we are coming with the Bill, I think I mentioned it. Hopefully, I will be able to come with the Bill in this session and all these will be put in place. The staff are already working at the moment there.

**Mr Baloomoody:** With due respect to the Human Rights Commissioner, I do not know for how long he has been in office, but the law says clearly that he is entitled to two terms of four years. According to my information, he has already done more than eight years. The law says this clearly, that he shall hold office for a term of four years and he is entitled to one renewal. I

do not have anything personal against the Human Rights Commissioner - of course, I know him personally. But then, now that he is in office I would like to know whether his tenure of office is legal, because the law says clearly that he should have only two terms of four years.

**The Prime Minister:** In fact, we are looking at the whole law when we are going to bring it this month before Parliament goes on holidays. Because one of the problems that I had, if you remember, I created the National Human Rights Commission...

*(Interruptions)*

Yes, but I am the one who brought it up. The Opposition can either vote or not vote but I brought it up. I want to remind you, because I brought it up....

*(Interruptions)*

**The Chairperson:** Let the Prime Minister answer!

**The Prime Minister:** Why did not we apply then?

*(Interruptions)*

**The Chairperson:** Order!

*(Interruptions)*

**The Prime Minister:** Why did we not have a Chairperson? The reason is very simple.

*(Interruptions)*

**The Chairperson:** I said, order!

**The Prime Minister:** Everybody we approached felt they are better off where they are. We had people who were interested, but not to the level that we wanted at the National Human Rights Commission. That is the difficulty we have in many sections in Mauritius, we need to have competent people, high level people who fill those functions. That is why we want to look at this position. I have been told legally that it is fine for him to continue until we have a new person.

**Mrs Ribot:** Still on pages 74-75, I asked a question to the hon. Prime Minister regarding the list of human resources. I would also like to know the sum that has been highlighted for the rent of the office of the National Human Rights Commission.

**The Prime Minister:** The rent is as follows: the premises rented by the National Human Rights Commission which is at the second floor of Renganaden Seeneevassen Building amounts to Rs1,333,000 and the premises rented for the Sex Discrimination Division which is also in Port Louis, amounts to Rs890,000.

With regard to the list of resource persons, apart from the Chairperson, there is a Principal Assistant Secretary, an Ag. Financial Operation Officer, a Confidential Secretary, three Senior Officers, three other Officers, three Word Processing Operators, three Office Care Attendants and two Drivers.

*National Human Rights Commission – Programme Code 141: Protection and Promotion of Human Rights (Rs12,800,000) was, on question put, agreed to.*

*Ombudsperson for Children’s Office – Programme Code 151: Protection and Promotion of Children’s Rights and Interests was called.*

**The Chairperson:** Hon. Obeegadoo!

**Mr Obeegadoo:** I am referring to page 76. I would like to refer the hon. Prime Minister to the major constraints and the remedial measures which are referred to as more training and closer monitoring of other stakeholders’ actions. Being given that this is a very serious issue, we keep hearing cases of children victims of ill treatment and dying because of neglect.

Coming to page 77, I note that the increase in the budget is, I consider, insignificant, given the tasks facing the new Ombudsperson who will have to be appointed soon. Would the hon. Prime Minister take a new look at the amount being proposed or will he care to explain to us how he thinks this meager increase will help the Ombudsperson rise to the challenges facing him/her whoever it may be who is appointed?

**The Prime Minister:** In fact, His Excellency the President has already consulted me about the new appointment and I think this is being done. I will certainly take on board what the hon. Member said and consult the Ombudsperson to see whether they will need to be whatever they say, maybe once she is in that position.

**Mrs Hanoomanjee:** At page 79, under *Item No. 21210 – Social Contributions*, can I know from the hon. Prime Minister whether this is a new item as there is no provision.

**The Prime Minister:** It is again for the contribution of the National Savings Fund, Mr Chairperson.

**Mr Obeegadoo:** At page 79, the hon. Prime Minister will note that under the Item No. 22020 - *Fuel and Oil*, there is no increase; similarly for *Item No. 22030 – Rent*, there is no increase. The question I ask myself is : how are we making provision for the Ombudsperson to extend her essential functions to the island of Rodrigues where, as we all know, absolute poverty is much higher than in Mauritius and, hence, the potential for neglect of children?

**The Prime Minister:** I must assume that they feel there is no need for an increase. I know that the Ombudsperson travels to Rodrigues so I take it that there must be provisions somewhere for her to travel to Rodrigues.

**Mr Obeegadoo:** On page 80, the only increase in staff is 2 additional investigators. Does the hon. Prime Minister hold information as to the specific purpose for which these additional investigators will be put?

**The Prime Minister:** As I was saying, Mr Chairperson, for Rodrigues it falls under *Other Goods and Services*. A passage cost for Rodrigues is already there. I have no further information about the two investigators, I am afraid.

*Ombudsperson for Children's Office – Programme Code 151: Protection and Promotion of Children's Rights and Interests (Rs8,200,000) was, on question put, agreed to.*

*Office of the Director of Public Prosecutions – Programme Code 161: Criminal Advisory and Litigation was called.*

**Mr Baloomoody:** At page 81, regarding the Office of the Director of Public Prosecutions - Major Constraints and Challenges and how they are being addressed. We found that one of the main problems is shortage of staff, but the one which is of more concern is the insufficient resources to offer better prosecution services to Rodrigues. We know, as we have heard from the hon. Member for Rodrigues that the services in Rodrigues when it comes to the Judiciary *laisse beaucoup à désirer*. Can I ask the hon. Prime Minister where matters stand and what action has been taken with regard to this issue and to ensure the recruitment and retention of high calibre staff? So, what are we doing to keep these high calibre staff within the DPP?

**The Chairperson:** I would like just to make one remark to the hon. Member on the first question he asked on page 81 which is about shortage of staff with required competence and experience. When we turn to page 88, we see that the number of State Counsels is moving from 21 to 32. Therefore, it is an increase in the number of staff.

**Mr Baloomoody:** With respect to your ruling, Mr Chairperson. It says experience and competence of staff. We know that we are taking new recruits at the DPP's office, with due respect to the young who are being recruited.

**The Chairperson:** The hon. Member is talking about the experience.

**Mr Baloomoody:** I am talking about competent and experienced staff; this is the problem at the DPP's office. This is what they are saying. They are not asking for new recruits, new

university graduates to come. It is good that they join, but, at least, we should have also experienced and qualified staff.

**Mr Bodha:** Mr Chairperson, as regards Certificates of Morality at page 81, we have 40,834, which were issued. It is about 150 per day. I think the time taken today between the application and the issue is about five weeks. May I ask the hon. Prime Minister whether something can be done to expedite matters?

**The Prime Minister:** To answer the last question, first, we are looking at that because, in fact, I, myself, said that we cannot expect people to go and have a morality certificate every six months. I think it is not right; we are changing this for a longer period. Also today with the new internet facilities, people don't have to travel, to queue up and come back the next day; that is the real hassle. That is a problem that we have in all sections. The hon. Member is not listening and then he will ask me the same question again.

*(Interruptions)*

There is a problem. You know the saying: we are the products of our vineyards. So, we have to take from what we have, unfortunately. But, obviously, we would like to have as competent people as possible. But, in any case, the recruitment is carried out by the Judicial and Legal Service Commission, not by me.

**Mr Jugnauth:** In relation to cases to the Privy Council, may I know how many cases ...

**The Chairperson:** Which page?

**Mr Jugnauth:** On page 86. It is item 22120011, *Fees in Connection with Privy Council Cases*. May I know how many cases have been brought to the Privy Council by the DPP? Can the hon. Prime Minister circulate the list of Counsels that have been retained by the DPP? I suppose, to appear in connection with those cases.

**The Prime Minister:** I am not exactly sure how many cases because they are sitting here as well as you know, but I certainly circulate it with the list of the Barristers. I might be getting the answer now. In fact, there are 11 cases; payments of fees to Privy Council cases during the year. Now, you have different names; I can circulate it.

**Mr Uteem:** On the same page 86 under item 22900922, mention is made for the holding of a *Conference, International Association of Prosecutors*, will that be held in Mauritius or elsewhere?

**The Prime Minister:** My understanding is that they wanted to hold it here in Mauritius. Whether this has changed, I am not sure.

**Dr. Sorefan:** Mr Chairperson, may I know from the hon. Prime Minister regarding rental of officers by the DPP...

**The Chairperson:** On which page?

**Dr. Sorefan:** On pages 85 and 86. The report of the Director of Audit says that the Prime Minister's Office has bought floors from the Garden Tower Building and 12 to 16 floors have been allocated to the Director of Public Prosecution. Presently, they are paying rent to the tune of Rs3.6 m. to other places in Port Louis. May I know why they are not occupying the spaces at the Garden Tower?

**The Prime Minister:** It is very likely; I don't go and actually chose it. When they say Prime Minister's Office, it is because of the administrative procedure. It does not mean that I go and have a look. I suppose it is not ready yet.

**Mr Obeegadoo:** Mr Chairperson, I have a number of questions, I don't know whether we are going page by page or the whole vote.

**The Chairperson:** We are on page 86 now.

**Mr Obeegadoo.** So, it's the whole vote. Well, it is very much linked. On page 82, the hon. Prime Minister will note that one of the major services on the Criminal Advisory and Litigation is handling of bail motions. Now, we welcome the fact that on page 88, there is a significant increase in the number of State Counsels and even Senior State Counsels. Would the hon. Prime Minister agree to convey a suggestion to the DPP's office that staff be allotted precisely for the prompt handling of bail motions because one of the reasons for delay in processing bail motions before a Court, is not the magistrate, is not the Defence Counsel, but because the prosecution cannot respond very quickly and appear in Court. So, may I, with the view to the provisions we are now making, suggest that this point be made?

The second issue is at page 85, under the programme again pertaining to prosecution services, although under rent, there is hardly an increase, which would suggest for not renting new buildings, office equipment and furniture goes up from Rs800,000 to Rs3.3 m. I presume this has to do with IT equipment, but may I seek confirmation from the hon. Prime Minister?

My next question is on page 86 under *item 22120012, Retainer Fees to Counsel*. Hon. Pravind Jugnauth seemed to link this to the Privy Council cases. I wanted to know whether this

might also relate to the practice of having prosecuting Counsels, that is, private Barristers, who are contracted to act as Prosecuting Counsels in different District Courts. Is this practice still ongoing and, if so, what are the arrangements in that respect? It used to be a very important function.

Turning to page 88, may I carry on, Mr Chairperson?

**The Chairperson:** Let the hon. Prime Minister answer first.

**Mr Baloomoody:** Mr Chairperson, as far as assisting the Court with regard to bail issue is concerned, can I ask the hon. Prime Minister to inform the House what special attention is being given to Rodrigues because this creates considerable hardship when a Prosecutor or a Counsel from the DPP has to go to Rodrigues, if there is an objection for bail? It takes days and sometimes even weeks. If there is an objection for bail and the Police officer says he wants Counsel to assist him, it takes very often weeks, not even days. And this causes considerable hardship to people who are presumed to be innocent where there is objection to bail on them.

**The Prime Minister:** Mr Chairperson, after the Mackay Report, it is felt by some that we moved perhaps too fast because the Office of the DPP has been separated, made completely independent, the State Law Office - and you know the system where they do the recruitment, they take Barristers from the State Law Office, either they become Judges or they are sent to the DPP's Office, they have a problem. We have decided to address this problem and relook at the whole staffing procedure, including for prosecutors, including having more staff. I think 18 more are being recruited, if I am not mistaken. The arrangement for the prosecuting Counsel from what I know is the same as before, but we will be looking at the whole issue when we will look into the recruitment for the new staff, so that they can work. One of the problems, as I have said, is that we might have gone too fast and without the infrastructure being there.

**Mr Baloomoody:** On page 87, under *Sub Programme 16103 Assistance to Victims and Witnesses of Crime*, this is a new item and we found that that we are providing Rs921,000 for this project. Can the hon. Prime Minister enlighten the House as to how this project will be implemented and what are the criteria for one to benefit under this scheme, be it a victim or witness of crime?

**Mr Barbier:** I am on page 86, under *item 22900922 Conference-International Association of Prosecutors*, this is one of the provisions which is only for the coming financial year. May I have some clarification of this specific item, please?

**The Chairperson:** This question of Conference-International Association of Prosecutors has just been asked and the hon. Prime Minister has answered. Hon. Members have to follow. Please, follow!

**Mrs Labelle:** I am on this programme regarding *Assistance to Victims and Witnesses of Crime*. May we be informed about the personnel who will be attached to this department?

**Mr Obeegadoo:** Supplementary questions following from what hon. Baloomoody raised. For the very important programme for Assistance to Victims and Witnesses of Crime, there is a substantial amount provided. But I know there is only one officer who will be involved with this programme. Is that not a serious issue if we want to give some chance of success to that very important programme? How can one officer only be expected to handle this?

**The Prime Minister:** First of all, as the hon. Members have rightly pointed out, it is a new service. There was none before. At least we are starting and you know very often, Mr Chairperson, we forget about the victims. We looked at the accused parties, but we forget about the victims. I will just briefly say about the system. The Assistance to Victims of Witnesses of Crime is, in fact, to try to help them in many different ways to explain, for example, how court procedures are? The Unit will provide the support service during the process itself of the Criminal litigation, particularly to vulnerable witnesses, and to explain to them how the court system works, the services of psychologist, social workers and educators will be hired whenever required. The budgetary provision for one officer is that he will be responsible for the administrative and correspondence duties. I am sure as we go on, if we feel there is more that is needed, we will do it but, at the moment, it is starting and there is one officer who will be charged of all the administration of that Unit.

**Mr Obeegadoo:** Just a suggestion on that programme! If I may appeal to the hon. Prime Minister, this is a very important programme and he has our total support. Now, gender sensitivity is very important here as well as attention to children. Could I just make an appeal that, at least, we have in addition to the administrator, a programme coordinator with the adequate training and competences?

**Mr Baloomoody:** In fact, let it be quite clear that we very much appreciate that this programme is being implemented for witnesses. We are concerned as well with regard to victim and witnesses. I am just asking a question as to whether it should be under the Office of the DPP? The DPP is here to prosecute. Is it proper that they are the same body who should train

witnesses how they should depone in court and assist the victim, the prosecution witnesses or should it not be an independent body? I don't know. I am just asking the question because the DPP is here to prosecute.

**The Prime Minister:** I did not say that the trained witnesses have to depone in court, I don't think they are allowed to do that, but after discussion they decided that the best place is for the DPP. But I can also revisit it, if need be.

*Office of the Director of Public Prosecutions – Programme Code 161: Criminal Advisory and Litigation (Rs131,320,000), was, on question put, agreed to.*

*Public Bodies Appeal Tribunal – Programme Code 171: Determination of Appeals by Public Officers, was called.*

**Mr Obeegadoo:** My first question relates to page 92, *Code 21 Compensation of Employees*. From experience I do know that the Secretarial staff of the PBAT is presently borrowed from the Employment Relations Tribunal. May we have some clarification whether this matter has been looked into to determine whether the PBAT does not warrant its own secretarial staff for recording of proceedings during hearings and if so, whether we should not provide for same, if the hon. Prime Minister understands my question? Right now, it depends on when the ERT is making use of the staff and not making use for the staff to be made available. So, it is either the ERT or other bodies which lend staff to the PBAT.

Second issue I would like to raise is the *items 22120 and 222120012 Fees and Retainer Fees to Counsel*, on page 93. I note that although there was no such provision for the year 2011, there is a sum of Rs1 m. set aside for Retainer Fees to Counsel. I do not quite understand what the purpose of retainer fees here would be as parties appearing from the PBAT normally retain their own Counsel to represent them for hearings. A Final question on page 92, *Code 22 Goods and Services*. There is a significant increase from Rs3.1 to Rs4.7 m. May we have some clarification?

**Mr Baloomoody:** On the same issue, at page 90, can I take the hon. Prime Minister about the strategic direction? The jurisdiction of the Public Bodies Appeal Tribunal would be extended to parastatal and other approved bodies. It is clear that if their jurisdiction is extended, we expect them to have more cases to be heard. When we look at the staff which has been allocated at page 94, we found that there has been an addition of only Word Processor Operator and no increase in the number of people who will be involved in the hearing. Can I ask the hon.

Prime Minister how he reconciles these two objectives? One to increase their jurisdiction but, at the same time, there is no increase in professional staff to handle the hearing.

**Mr Uteem:** To follow up the issue of *item 22120012 Retainer Fees to Counsel* on page 93, may I know from the hon. Prime Minister whether there has been a panel of lawyers constituted and, if so, is he aware of the name of the lawyers and the criteria for selecting same?

**The Prime Minister:** First of all, for the staff, I am told that there is an Assistant Secretary who is acting as secretary to the tribunal on a full time basis at the moment. There was a question on the jurisdiction of the Public Appeals Tribunal, the extension to parastatal and other approved bodies. It says that it will be extended. Obviously, it is not done yet, but once it will be done, if there is need for staff, I am sure that they will be catered for. But, it is not extended yet. As for payment of Counsel hired by the Tribunal in connection with cases - it is with cases it has in court from what I understand. So, I am not quite sure how this works out, but I don't think there was a panel to choose. I would be surprised if there was. I would have thought that people must be able to have their own lawyers.

**Mr Bodha:** Mr Chairperson, at page 90, we have a number of appellants. There were 41 cases. May I ask the hon. Prime Minister how many aggrieved parties were granted a redress out of the 41 cases?

**The Prime Minister:** I know there are a few, but I don't know the exact number, Mr Chairperson.

**Mr Obeegadoo:** Can I ask the hon. Prime Minister for some clarifications concerning this question of *Retainer Fees to Counsel*? Would the hon. Prime Minister be in a position to explain to us in what circumstances the PBAT has to have recourse privately to Counsel?

**The Prime Minister:** I suppose that they do need advice if there are legal issues which are raised.

*Programme Code 171: Determination of Appeals by Public Officers (Rs11,463,000) was, on question put, agreed to.*

*Prime Minister's Office*

*Programme Code 201: Prime Minister's Office was called.*

**Mr Baloomoody:** On page 96, if I may ask the hon. Prime Minister on the topic of *Major Achievements for 2011*; the residence permit, I take it is for the foreign workers, I am sure: 12,231. But, what about the occupational permit? May we have an idea in what profession we

find that the Government has given 2,411 occupational permits? Briefly, in what specific profession they are and, if they have invested, in what specific project they have invested? We also found that there have been adoptions. With regard to the adoption, *16 approvals given for adoption by Mauritians and 14 approvals for adoption by foreigners*, may we at least have an idea for which foreign country these foreigners have adopted Mauritian nationals? I will stop here for my friends.

**Mr Uteem:** In relation to Certificates of Nationality, there have been 362 delivered this year. May I know from the hon. Prime Minister whether there is any objective set of criteria which is published by the PMO where automatically, if people fulfil those objective criteria they are eligible to be considered for grant of nationality?

**The Prime Minister:** First of all, I think the question was for the occupational permits; there are criteria for occupational permits, if you are an investor you must generate an annual turnover of Rs3 m., if you are self-employed you must generate an annual income of Rs600,000, if you are a professional you must draw a minimum monthly basic salary of Rs45,000. But, if you remember, in the Budget Speech, for BPOs and all this we have reduced it. We have reduced it for one simple reason; they cannot get people from places in India because they do not pay that amount. It is only for this criteria, otherwise it is higher and then if you are a retired non-citizen, you must transfer a minimum of 40,000 dollars annually each year.

As for the grant of nationality, the criterion is defined in law, in the Mauritian Citizenship Act, although the Prime Minister has discretion. I, occasionally, do use my discretion, Mr Chairperson. For example, - I don't want to mention names - at the time of independence, someone was named ambassador, his children went with him and then, they lost the nationality because they went, I think, just ahead of independence. He appealed to me to get the nationality and I did give it to his children. So, this happens. As for the cases for adoption of foreign children by Mauritian citizen, it goes through a process. It does not just come to my office and other people are involved and if you wanted to know from which countries, for example, I see India and China. I think these are the two main ones that I see myself and then, you have from Madagascar and also from Cambodia and Morocco. There is one from Morocco.

**Mr Gungah:** Mr Chairperson, same page 96, *Major Achievements for 2011*, concerning the permits issued, may the hon. Prime Minister give a breakdown of all the different nationalities to which these permits have been issued?

**The Prime Minister:** I suppose I could. There has been a problem that we have addressed and that is why the amount of money was raised, because we do not want them now to have jobs at the expense of Mauritians. It is when we do not have that we have to recruit. So, this is being tightened. I can give an assurance to the House. I will give you a list.

**Mr Obeegadoo:** On the same page, Mr Chairperson. Concerning the *Transfer of Suspected Pirates* captured for prosecution and trial in Mauritius, may I ask the hon. Prime Minister when this agreement comes into operation and whether he might assist me? I have been trying to look at the following pages to find whether there is a specific vote or a specific programme relating to the implementation of this agreement and I could not find anything. So, maybe, the hon. Prime Minister might enlighten us.

**Mr Lesjongard:** Mr Chairperson, under the same page, that is, page 96, under item *Major Achievements for 2011*- nine foreign companies were authorised to invest some Rs8.82 billion. Can we get an indication in which sectors they have invested?

**The Prime Minister:** Yes. For the Transfer of Suspected Pirates, first of all, let me say, Mr Chairperson, the European Union has thanked us and when I was at Commonwealth Heads of Government Meeting, the Prime Minister of UK, David Cameron, has also told me that he is very thankful that we have put ourselves forward and that he is going to have, I think, a conference on this because this is becoming a real problem and we all know what the situation is in Somalia and all those things. But, it will have to come through a Bill to the House and I think we have finalised the Bill. The European Union are very keen that we start as quickly as possible; we are going to get tremendous help from them as well. That we had to negotiate and this was not their view at the beginning; we had to negotiate about building prisons, about where they would be judged and all this; but, they are keen that we start as soon as possible. We will have to bring the Bill to Parliament first.

There was a question about nine foreign companies authorised to invest Rs8.82 billion and I will have to give the hon. Member the list. I don't have the list with me to be able to give him and I don't know whether there was anything else that I have forgotten.

**Mr Obeegadoo:** If the hon. Prime Minister will allow me to insist on this issue; I take it, therefore, that unless and until a Bill is voted by this House, this agreement will not go into operation, but there was talk of dedicated facilities for the detention of the pirates and even for

their trial. Now, do we take it that the provision being voted for next year does not make provision for such facilities or does it?

**The Prime Minister:** The hon. Member is right on both counts. First of all, the Bill will have to come to Parliament and secondly, we are getting assistance from the European Union. They are going to fund many of the aspects.

**Mr Baloomoody:** On page 97, Major Constraints and challenges, we found that there has been insufficient staff and expertise to address new responsibilities such as the Commission on Maurice Ile Durable. May we know whether we have an appropriate person to chair this Commission? The Competition Commission, the Data Protection Commission, the Mauritius Meteorological Services, The Mauritius Oceanographic Institute – Human Rights, have already discussed - had we had the appropriate persons to fill these posts?

**Mr Obeegadoo:** On which page, Mr Chairperson, if I may. On the same page, firstly the same issue: has the hon. Prime Minister considered the possibility of tapping the resources within the Mauritian Diaspora for these different scarcity areas, if I may say so. And, secondly, on the same page on this Strategic Direction, there is mention of rehabilitating offenders again, may be the hon. Prime Minister might point me to the relevant vote on the following pages which would relate to this issue?

**The Prime Minister:** First of all, on the issue of *Maurice Ile Durable*, I mentioned in my speech, today itself, Mr Chairperson about the action plan that we are finalising and to ensure – I mention about the five ‘e’s which are implemented and I also said that the Chairperson and the Vice Chairperson work for free so many long hours, I think more than 200 hours to be able to come up with the exercise that they have done. This is the first point that I wanted to say. Provision has been made in the Budget for the recruitment of the relevant staff. I think for the Data Protection Office. I have changed for the *Commission Maurice Ile Durable* Project, but provisions have been made also for the Mauritius Oceanographic Institute.

**Mr Uteem:** On page 97, under Strategic direction, mention is made that one of the strategic objectives is to prevent abuse of illegal immigrations. May I know from the hon. Prime Minister whether he has the figures about approximately how many cases of breach of migration laws do we have every year and whether these people are prosecuted or simply deported? Does the hon. Prime Minister have a rough estimate of the number of cases of breach of migration law in Mauritius every year?

**The Prime Minister:** In fact, we are looking at the whole area, Mr Chairperson, because we realise today in what position we are in. In spite of what my good friends in the Opposition say, people would like to come to Mauritius. Even in the SADC submit - not the last one, but before that - there was talk about doing like the European is doing, opening up our borders, anybody can criss-cross and come. I said never! I would rather get out of the SADC than accept this because what will happen; we will have flooding in Mauritius from different countries. That we cannot accept. We have to look at the migration law because I really feel that our laws are just too soft. The criteria we are applying are not what we should be applying for a middle income country with our own difficulties. We want to attract the best and the brightest, but at the same time we need to strengthen the law and I am looking at that. Recently, I was in Botswana for an official visit. I met the Mauritian community there. There were different communities together and they complained to me that that their children have been born in Botswana, but cannot get nationality. I took it up with the president, when I was travelling with him in the car. He said: no, we don't give nationality like this. Even if you are born here you will not get nationality. In many countries they are tightening. Here, we have seemed to have left it as it is. We need to have a tightening of the law, Mr Chairperson. And also, to address other issues that were raised earlier on.

**Mr Jugnauth:** Under the item major services, I see Cabinet minutes, apart from the President, Minister and the relevant Ministries, have Cabinet either information or minutes been communicated to any of the person or authority other than those I have mentioned?

**The Prime Minister:** Those who are involved to prepare the Cabinet minutes, I suppose. But the Cabinet decisions are then communicated as you know.

**Mr Obeegadoo:** There is one question I asked which maybe the Prime Minister missed. I asked about rehabilitation of offenders which is mentioned on page 97 asking the hon. Prime Minister for guidance as to where in the detailed votes on the following pages, the related provision is to be found so that we can then consider what amounts are being requested.

**The Prime Minister:** The hon. Member is talking about rehabilitation of detainees; I take it. This will fall under the prisons. It does not fall here. It falls under the prison services. That is where it will be.

**Mr Obeegadoo:** To go back to an earlier question of hon. Baloomoody, we have a list of the different programmes. Could I ask the hon. Prime Minister to tell us under which programme does the Commission for the Democratisation of the Economy fall?

**The Prime Minister:** As I said earlier, Mr Chairperson, it will fall under the Prime Minister's Office. That is where the item is.

**Mr Obeegadoo:** May we have an indication whether there is a specific amount that is budgeted for the Commission and if a breakdown is available?

**The Prime Minister:** I am trying to find out where it is here. But there is a President and a Vice-President. I am trying to check where the actual vote is. The President is paid Rs30,000 with a traveller's allowance and the vice President Rs22,500. It must be there somewhere, but I can't actually see it. This is the information.

**Mr Obeegadoo:** On page 102, I have a number of questions. Firstly, *item 22900903: Culture et Avenir Activities*, Rs1 m., this appears to be a new item. Would the hon. Prime Minister kindly give us some information? Further down, *26313008*: there is an amount of Rs36m. for the Competition Commission. This is on page 102. I am going down from the top of the page, *Culture et Avenir Activities*.

Secondly, the Competition Commission, a very significant amount Rs36m. and the Commission has been in existence for a number of years now. I would like to ask the hon. Prime Minister whether an external review or audit - I am not speaking of financial audit, but an assessment of the effectiveness of the Commission has been, will be, could be carried out to ensure that we are making judicious use of public funds?

Third question, *26313040*: Mauritius Oceanography Institute, there again, a very large amount of Rs27.6m. and this relates further down to a sum of Rs17.5 m. with construction of Administrative/Research/Laboratory Complex at Albion. All in all, we are looking at a vote of some Rs45 m. just for the Oceanography Institute. May we have some clarifications as to the relevance of such expenditure for the next financial year, telling us what sorts of results are anticipated at the end?

**Mr Jugnauth:** With regard to that same item, laboratory complex at Albion, is it the one that is going to be privatised? I see a bulk provision under this item. What is the budgetary provision for the year 2012?

**Mr Bhagwan:** I come to item *Culture et Avenir Activities*. We understand that the hon. Prime Minister has an adviser. I will not mention his name; he's a good friend of mine. Is he on a part-time basis or is he also allowed to perform other duties on his own outside? Is he attached full time to the Prime Minister's Office or has he been allowed to work contractually outside, take private jobs?

**The Prime Minister:** First of all, let me tackle the issue of *Culture et Avenir Activities*. This is to finance activities for the promotion of certain specific projects that I think would be good for the country, but which I have at heart also. First of all, there is the National Art Gallery. I think it is important for a country, which is saying it is a modern one. We have to be a bit more liberal in our education. We will also have a *festival du cinema* and the creation of a *fondation of orchestre national*. Many countries have their own national orchestra, and we do not have one yet. There will also be a *salon du livre*, which will be held here in September of next year. So, these are the activities that they are doing to ensure that we do things properly. We need to follow up from my Office.

As for the person doing a part-time job, there is not enough job at the moment but, maybe, at some point, I will make it if need be. The adviser is allowed to do work outside. But, eventually, we will probably have a look at this.

I think the other question was about the Mauritian Oceanography Institute and the Competition Commission. The Mauritius Oceanography Institute will be constructed at Albion. The tender for the project management services has already been awarded to Ong Seng-Goburdhun and Partners, and the estimated cost of the project is Rs115 m., which is inclusive of VAT. A provision of Rs4.6 m. has been made in this Budget for payment of consultancy fees. The sum of Rs16.3 m is for the operation of the Mauritius Oceanography Institute, and the building is expected to be completed in 2014. I mentioned in my speech this afternoon - I saw some Members were a bit surprised. This is a vast resource and many, many applications can be done. Already, we are looking at cancer treatment and 25 extracts have been isolated. Now, there has to be further research done on that.

As for the Competition Commission, it is operational I think since 2009, and is working with a high degree of professionalism. Within a short time, they have taken action; they have found restrictive practices being carried out by some. Then, they issued directives and, so far,

everybody has listened when this has been the case. It is not proposed for the time being to have an external evaluation. But if need be, we will consider it.

**Mr Uteem:** Mr Chairperson, on the issue Competition Commission, is the hon. Prime Minister aware whether there are any vacancies in particular with regard to the post of legal adviser? What is the status of the legal adviser at the Competition Commission?

**The Prime Minister:** In fact, we are doing some changes, although as you might probably know, the person whom we chose at the beginning to lead it had agreed to come again. He has other commitments, but we did ask him if he could advise us to get somebody because we feel he has done a good work. There is a new person who is doing it, but I don't have the detail with me. We are doing some changes on the appointment. In fact, we have already done it, but I need to send a letter to the President to advise on it. In the middle of the Budget, I did not want to do that.

With regard to the legal adviser, I'm not sure how it is being done, because I don't really go into what they are doing. But, there are obviously people with legal background on the Commission already. There will be another person with legal background coming on that Commission. If I get the details, I will give it to you.

**Mr Jugnauth:** I have asked a question about a laboratory complex at Albion. Is it the same one that is going to be privatised?

**The Prime Minister:** No, as far as I know, I think that's a different one. I don't think it is the one.

**Mr Obeegadoo:** If I may go back to the Mauritius Oceanography Institute. As I said, it is a huge amount, Rs45 m. we are being asked to vote, of which only Rs4.5 m. is for the construction purposes, which leaves us with around Rs40 m. Would the hon. Prime Minister give us some idea of what that amount of money is for? What will the funds be applied for during the coming year, who heads this Institute, what sort of staff do we have there for the time being. Will the hon. Prime Minister agree to some sort of report six months hence being placed before the Assembly? Because, Mr Chairperson, this is an important project again. We fully support, but there needs to be some transparency.

**Mr Bhagwan:** Again on this issue *Culture et Avenir Activities*, can the hon. Minister give us information as to whether government has already taken the decision to take over the management of the two main theatres, namely Plaza and the Port Louis theatre under this *Culture*

*et Avenir* section of his Ministry? His adviser publicly stated that government has taken that decision.

**The Prime Minister:** We have not taken a decision yet. The two theatres are *patrimoine* of the country, and we want to make sure. As far the Mauritius Oceanography Institute is concerned, as I explained, the contract has been awarded to a firm which has been paid Rs1,725,000 m. The estimated cost of the project was Rs115m, but there is a provision of Rs4.6m. which has been made in this Budget. The rest of the sum is for the operation of the MOI itself. The hon. Member said it was a huge cost, I will give the list. The preliminary architectural plans completed by the Ministry of Public Infrastructure and National Development for the project has already been given. I have given details about the construction of the building. But there are other activities, for example, there is coral farming that they are doing. It is the biological activities of marine natural substances from Mauritian waters.

They are doing research on tsunamis as well, molecular bar coding, pearl project, geomography, and they need IT equipment. The African Monitoring of the Environment for Sustainable Development is working together with them. It is headed by a professional, Dr. Rezah Badal.

**Mr Barbier:** At page 103, *Item No. 22900927 National Institute of Civic Education* - this is a new item in the Budget and for this coming Budget, Rs5 m. is provided for. For the coming years it is going to be Rs20 m. and over. So, may we have some clarifications on this specific item from the hon. Prime Minister?

**Mr Soodhun:** Under *Item No. 22900921 Special Road Safety Unit*, we see that an amount of Rs1.5 m. has been budgeted for this item. Can we know from the hon. Prime Minister the achievements of the Unit since its setting up to date, and whether the Unit has taken any bold decisions as far as the road accident and road safety are concerned?

**Mr Baloomoody:** On the same page, under *Item 22120022 Fees for Parole Board*, may we know from the hon. Prime Minister how many cases the Parole Board has entertained this year?

With regard to *Item No. 22900903 Human Rights Awareness*, I've found that this item now is on the Prime Minister's budget. May we know who is going to run that Human Rights Awareness section and how many personnel there will be in that Department?

The next item on the same page, Item No. 22900907 *Truth and Justice Commission*. We find that no provision is being provided expecting that the Truth and Justice Commission will submit its report. May we know when this report will be published and whether Government intends to have it made public?

Another sector which is of much concern but, unfortunately, we found that the Budget has been decreased by nearly Rs2 m. That is on *Item 22900915 Multi Sectoral Response to HIV/AIDS Programme*. I said in my speech and we know there is much concern in the prison with regard to that issue and we found that, unfortunately, the budget for this item has been reduced by Rs2 m. May we know why and what is the reason behind?

Lastly, under *Item No. 22900922 Commission on Maurice Ile Durable*, we find that R1 m. was for this year and Rs3 m. for the successive three coming years. May we know who is going to head that Unit and how many personnel there will be in that Commission on *Maurice Ile Durable*?

**The Prime Minister:** First of all, let me speak about the Human Rights Awareness. There is an action plan. Area which will be covered is: reinforcing international corporations on human rights – I must see the National Action Plan for human rights is being finalised. It will be ready this month; strengthening of the National Human Rights framework; protecting and safeguarding civil and political rights; protecting and securing women rights in the context of gender equal opportunities; protecting and securing the rights of vulnerable persons, children or older persons; securing the right to sustainable development; enhancing Human Rights Education and encouraging and facilitating greater involvement of civil society and business in the promotion and protection of human rights and the follow-up and evaluation of National Action Plan. There is close collaboration, Mr Chairperson, with the monitoring mechanism established by the UN Human Rights System. The Human Rights Unit of the Commonwealth Secretariat and the African Charter on Human Rights for the protection and promotion of human rights. They have also been working with the universal periodic review of the Human Rights Council since February 2009. I mentioned the process earlier on. So they are doing all this awareness programme under the Action Plan.

As you rightly pointed out, the Truth and Justice Commission has finished the work and I think the report is due very, very soon I am told. Before the end of the year, the report will be ready. I don't see why it should not be made public unless they say we should not make it public

because there are very sensitive issues in this as you know. We will see, we will act in the national interest.

As for the HIV/AIDS Programme, I think somebody asked me why it's reduced. It is simply reduced because that funding will now come for the Global Fund, which I negotiated as you know.

As for the National Institute of Civic Education: yes, it is new. It is something that is very close to my heart. Today, we heard the vice-Prime Minister and Minister of Finance saying it: why is it that there is no discipline in this country? People throw things wherever they want. If they want to speed, they do so. They do whatever they want. We must have a culture of discipline. If you want to move to a first world country these things have to stop and to stop that we have to start with the young. That is why we are starting with civic education. It will be established on a pilot project. We want them to have a sense of national belonging that this country belongs to all of us. I am sure many of you here have this experience. I've just talked about Botswana. In Botswana there are Mauritians of all ethnic groups, they are all together. They come to Mauritius they will go separate. We need to have this sense of national belonging. We want them also to have leadership training, team building. We want to enhance their life skills and we want to, in fact, engage them in meaningful and purposeful activities. When I was recently at the Clinton Global Initiative - by pure luck, because it is a very big organisation as you probably realise - there was somebody there who was talking about multi-fibre, but how they actually do that is part of their civic education. I think it is important. We are trying to see if they will have time to come here. I don't know whether they would or not, because, very often, of what happens and we have seen it. We live in harmony, but each one is in his corner...

*(Interruptions)*

What about religious societies then? Go and see what my father said in the 1960s about religious societies.

*(Interruptions)*

Not just politicians there are priests who make political speeches. Let's be clear. Anyway this will be a pilot project and it is intended to enrol about 16,000 young people in this programme each year at the national level.

There was a question about the Road Safety Unit if I am not mistaken. The Road Safety Unit, I think everybody agrees that this is a big problem. This can happen to anyone. We have to

be patriots about this. The real reason is because people do not know how to drive and we have to change the culture. Again, it is a mindset that we need to change but we will change. I am very confident. But, obviously the Unit is not working fully at the moment. At the moment, we are gathering information. I must tell you whenever you start something new, you want to put order there are some people who do not like it. I will say it as it is. Obviously, all this time accidents are increasing, nobody is saying anything. I put the Road Safety Unit, now you see others are trying to say: this cannot be done, that cannot be done. I talked to hon. Minister Bachoo; if need be, I will take the whole thing under my Ministry. I don't want to do that unless we need to because he is doing a marvelous job - especially he is a real bulldozer. What we need to do is to ensure that there is direction, that people know what we expect them to do and that we take the penalties that we need to take. I'll tell you something else. For example, for the penalty points, today I went back to my Office and I heard some people - I don't want to mention names now – saying we have to make certain concessions to them. It will not be done. On my dead body it will be done. There would be no concession. I'm glad the Opposition agrees with me. We cannot make concessions on the life of public, how can we make concessions? It will have to be the same law. It will apply to everybody. Whether you like it or you don't like it, that is how it will be like. The objective of the Unit is to reduce road safety accidents. The other day I was reading a report, that's why I mention it today. In America, with the big roads and everything, you have a four times higher chance of having an accident, even though the roads are big if you are using your mobile phone. They say in the report if the country is smaller and, obviously, we are very small compared to America, the risk is increased, I think they said 5 or 6, I cannot remember. You know how many accidents we are having, because people are talking on the phone. All this has to change. If I could ban mobiles completely, I would ban them.

**The Chairperson:** Page 103!

*(Interruptions)*

We need to have some progress. We are stuck.

*(Interruptions)*

Yes, but we need some progress.

**Mr Jugnauth:** Mr Chairperson, I have two questions with regard to the Counter Terrorism Unit. May I know, first of all, where it is based and what is the number of people who are in that unit and what kind of training they have got? With regard to the Security Unit, this is a

separate unit from the VIPSU. Can we know what is it meant for, how many people are under that unit and what kind of training they have?

**Mr Lesjongard:** On page 103, with regard to *Item 22900922 Commission on Maurice Ile Durable*, can we know from the hon. Prime Minister what is going to be the way forward following consultations which have been completed with the public?

**Mr Obeegadoo:** I have a few questions, Sir. Under *Item 2213001 Study on Driver Education and Testing Centre*. I am sure the hon. Prime Minister would like to tell us – if I manage to catch his attention – what exactly the study is meant to achieve and who will conduct this study and what its terms of reference might be? Secondly, under *Item 22900920 - Disaster Management Centre*. Provision is going up from Rs5 m. to Rs8 m. I would very much like to know, first of all, where this centre is to be found, who staffs it and what purpose it serves. Because recently, Management of the Angel – was it Angel II - near disaster was not very impressive in terms of management. So, I would like to know how this Disaster Management Centre will help us address such issues. Thirdly, under *22900927 - National Institute of Civic Education*, my colleague raised that issue. When I intervened a couple of days ago, I asked the question why should this fall under the PMO rather than being left in the able hands of the Minister of Education, the more so as, right now at primary level, there is a Component of Citizenship Education and at secondary level as well. So, would it not be logical, since the Prime Minister says that we need to start with the children, young people that this should be driven by the Ministry of Education? I think I'll stop there.

**The Prime Minister:** To answer the last question, first of all, because I find this is a national problem. We are not a disciplined nation. We think we can do whatever, everybody owes us a living - unfortunately, I can say that, as Prime Minister, I see it every day - we need to change that. This has to be done at national level. I am obviously going to co-opt the hon. Minister of Education. He is going to be very closely involved in this, because it concerns his department, but I want to monitor it from there. There are so many questions that I need to know; you wanted to know about the study for the project of setting up a Driver Education and Training Centre. We are working on this proposal, as I explained, but this is going to be a project which will be Public/Private Partnership. I think I said that before. We have already identified 20 hectares of land in Highlands and the first phase of the project will consist of a feasibility study and a consultant for that purpose will be appointed. We are going through the procedures of

appointing them. I think I mentioned all the things they are going to do there. It will include all people, all road users, including pedestrians will be helped there.

As far as the other question is concerned - I did not quite catch it - you were saying about the National Disaster Management Centre. Precisely, because we have found, as I mentioned in my speech this afternoon, about climate change, what is happening in other countries, earthquakes, landslides, flooding and all this. This is likely going to increase with climate change. We have had the Domah Report. We are trying to implement the Domah Report, but still people are building houses on river banks and all these things. This will have to stop. We will have to decide what we want. If we want other people to die, all right, but we do not want obviously other people to die. So, people will have to understand. Now you know what they do when you tell them they cannot build houses there, they have already built illegally, they go to Court. We wait for two or three years until somebody dies. We have to take the bull by the horns. This will have to stop. You will have to abide by the law. So, that is why we have changed it. There is a Coordination Centre which will be now at the Line Barracks and would be under the direct operational control of the Commissioner of Police, because he is better placed - not my office - as if to have a national platform to coordinate from there. Maybe you met the person who is not going to be there in any case. I think somebody asked a question about the Security Division, about the Counter Terrorism. It is not the same thing as the Counter Terrorism. We have people at the Counter Terrorism Unit and I would think it would not be right for me to give the names of people who are in the Counter-Terrorism...

*(Interruptions)*

Yes, we are ensuring that they get training from India, but also from the United States, UK and France.

*(Interruptions)*

Where are they based? In fact, we need to find a different location. Now, they are meeting in places which have to be kept obviously secret, but we think we need, at least, have a place where nobody will know these people work in that unit.

*(Interruptions)*

For the Security, I am sorry, I did not hear that.

**Mr Jugnauth:** It concerns the officers from the unit from the VIPSU, what is their work, what do they do?

**The Prime Minister:** No, there are other people who are working there, but yes, it is at the moment, because we have good officers in the VIPSU. They are the ones who are in charge, but with the help of others.

**Dr. S. Boolell:** Under *item Grants 26313050 – National Adoption Council*, would it be possible for the hon. Prime Minister to update the House on the reason for maintaining the National Adoption Council? Is it justifiable in view of the reduction in adoption cases?

**The Prime Minister:** Yes, but the only thing is I do not want it then to fall under my Office. Who am I to go and decide you can adopt this child and you cannot adopt this child? So, I would rather not get involved. But we'll have to look into it. Maybe you are right; we'll have to relook at it.

**The Chairperson:** Last question on page 103.

**Mr Uteem:** In relation to *item 28216012 – Contribution for Operation of Mauritius International Arbitration Centre Ltd.*, is the hon. Prime Minister in a position to let us know by when are the rules expected to be enacted for the implementation of that International Arbitration Centre? Because the law has been passed, but the regulation setting out the rules are yet to be adopted.

**The Prime Minister:** I am expecting them to be passed next year, Mr Chairperson.

**Mr Bhagwan:** Page 104, *item 22090002 - National Security Services*, there is a sum of Rs6 m. The problem is that we are being so closely monitored, minute by minute, hour by hour.

*(Interruptions)*

I think it is abnormal in front of our House, in front of our Office, on motorcycle, on bicycle, with helmet and so on. I think it is time for the Prime Minister to put some order. We are in Mauritius, everybody knows what is happening. We are asking the Prime Minister to look at it. It is good to have a National Security Office. People need to be followed; but not us, politicians, honest and well-known people like us.

**Mrs Ribot:** I refer to *item 21110 Personal Emoluments*. I would like to know from the hon. Minister how is it that under the Public Sector Governance, the compensation and the personal emoluments of the employees have almost doubled. How does this tally with an increase of five employees only on page 108 in the same department?

**The Prime Minister:** Let me answer the last question first. This is because there has been an increase to meet payments. I think from 14 additional staff that are being transferred

from the Ministry of Finance and Economic Development to the Office of Public Sector Governance. Then, of course, there is the basic salary for 32 funded positions, their extra remuneration, their allowances, the end-of-the-year bonus and it comes to that amount. As for the NSS, Mr Chairperson, I hope the hon. Member remembers. I also was in the Opposition and I know what it means to be followed. I said the other day, once you have been a victim, you react differently. But I must say something else. When I was in Opposition, I also, like you, thought that people were following me everywhere. It was not necessarily the case all the time, that if you see somebody on a motorcycle, he must be an NIU. Imagine, in fact, if we have to follow everybody, how many staff will they need? They can't be. So often, whatever information they give me they get it wrong anyway. But, they are not meant to follow politicians. I doubt it. If they are following them, how come I don't know then what they are doing?

*(Interruptions)*

Maybe there are some *brebis galeuses!* But I will certainly take it up again with them.

**Mr Jhugroo:** Under *item 31113027*, can we know who has been awarded the contract to erect the new boundary wall and to construct the security shelter for VVIP at Vacoas?

**Mr Lesjongard:** I will get back to public sector governance. We understand from the hon. Prime Minister that the budget is being increased from some Rs11 m. to Rs22 m. because of an increase of staff. But when you go to page 100 with regard to performance indicators, Mr Chairperson, under *sub-programme 20105*, the number of public organisations to be reviewed and assisted within a set time frame for 2012 is 3 and for 2013 and 2014 there is an increase from 3 to 4 and 4 to 4.

Under *SSI: Number of public organisations reviewed and assisted within set time frame* remains the same for 2012, 2013 and 2014. How can we reconcile that we are doubling the budget, increasing the number of staff and the performance remains the same?

**The Prime Minister:** Well, it obviously relates to one of the issues I was mentioning earlier. We have to have control on what people are doing. I am quite sure about this. For the boundary wall for the VIPSU at Vacoas, the contract has not yet been awarded, but I believe it is the MPI who do all the procedures. I don't know whether there was any other questions, I can't remember.

**Mr Jugnauth:** To come back to the NSS, the hon. Prime Minister is assuring us that this is not the case. But I can tell him that, in fact, there are people who are being posted, probably

not everywhere, but at some places. I, myself, recently, have met one near my place and I have even talked to him. If you can get information, you will see. But nevertheless – I am not expecting the hon. Prime Minister to give the information now - but could he circulate the breakdown for this amount of Rs6 m. that has been earmarked? Probably, for this year, how this money has been spent with regard to the number of offices. I am not asking for the names, but the number of offices.

Under the *item Espaces Culturel et Artistique, Château Mon Plaisir*, may I ask whether the works have already started this year, what stage have we reached for the amount of money which has been budgeted for this year?

**Mr Baloomoody:** Concerning upgrading works at Clarisse House, we learned recently that there was a theft there with regard to a lawn mower. Can we know from the hon. Prime Minister whether the said lawn mower has been recovered or action has been taken?

On the same *item 31132403 Upgrading of Criminal Intelligence System*, without, of course, going too much in the detail of security, may we know exactly what the Criminal Intelligence System Unit is? Does it work parallel with the Police or is it only at the Prime Minister's Office that we have this upgrading of Criminal Intelligence System.

**The Prime Minister:** To answer the last question, it does not work at the Prime Minister's Office, but it falls under Home Affairs. As I was explaining earlier, Mr Chairperson, if we are getting results on crime statistics, it is because it is intelligence-led, that is, why this unit is there.

Recently, I think there was a question that hon. Jhugroo has asked. People are just not being responsible. They think they can get away with it. In the SMF, you see things can be stolen! How can we accept this?

*(Interruptions)*

This is why I am saying that we can't have one people to watch every person in this country. Obviously, people have to act responsibly. But the law will be applied. If you think you can get away with it and you don't, don't then come and complain that you are being sent to prison.

**Mr Soodhun:** Mr Chairperson, at page 104, under *item 31122999 Acquisition of Other Machinery and Equipment*, there is a provision of Rs7.5 m. I would like to know what type of equipment is going to be purchased.

**The Prime Minister:** First of all, let me answer the question about the *Château Mon Plaisir*. The tender procedures are not yet completed. They have not actually started any work.

From what I understood, the hon. Member is asking question on the other goods and services.

*(Interruptions)*

There is an increase in the provision due to the additional amount of Rs400,000 required because they have additional staff and they need to purchase additional equipment.

**Mr Obeegadoo:** At *Sub-Programme 20101: Cabinet Office*, I note that at the PMO there will be now five Senior Chief Executives. At the Prime Minister's Office, we had one, we will still have one. But Senior Chief Executive, we had none, we are going to have five. And further down, in terms of supernumerary PASs we will have 13. I just wanted to have some understanding of how this additional staff will be utilised by the PMO.

**The Prime Minister:** It is not really for PMO, it falls under the PMO. It is being done through the Public Service Commission. We are recruiting more people and these people are going forward to different levels. It falls under the PMO, but it is the Senior Chief Executive. These officers will be posted to all the Ministries, for example, at the Ministry of Health and we used to have one as well as the Agro-Industry. I think there is one over the Civil Service that is based through it.

The *Item No. 024567 – Assistant Secretary*, what is the rationale for having temporary Assistant Secretary and why there is an increase from 20 to 25?

**The Prime Minister:** My understanding is that it is a common practice, Mr Chairperson.

**The Chairperson:** page 107.

**Mr Baloomoody:** For *Item No. 090086 – National HIV/AIDS Co-ordinator*, may we know when this post will be filled? We know that there is no provision for a national HIV/AIDS Co-ordinator, what do we intend to do with that? Why there is no provision?

The other question concerns the *Item No. 020093 - Director General, Counter-Terrorism Unit*. We find that there is provision for one post for next year's budget. May we know where he will be based and what will be his functions?

**The Prime Minister:** First of all, I said that earlier, but just to confirm, on the temporary Assistant Secretaries, this is a usual practice and it is during the probation period. That is why they are there.

As for the post of National HIV/AIDS Co-ordinator, it is vacant. There was a person, the Regional Public Health Superintendent who is on temporary transfer from the Ministry of Health and she has been assigned duties of the National HIV/AIDS Co-ordinator and this has been extended to May 2012, that is, up to next year. The post is meant to be filled by fully registered medical practitioners possessing a master's degree in medical and allied sciences. At the moment, this has been extended for another period of one year, that is, from last May when the contract had to be extended and it has been extended for one year.

For the Counter-Terrorism Unit, any country will need these days to have a counter terrorism unit which will be under the Prime Minister's Office, but I am not the one who is going to run it, obviously.

**Mrs Hanoomanjee:** Can the hon. Prime Minister say whether the post of Secretary for Home Affairs has already been filled?

**The Prime Minister:** As I said, we do not want to fill posts just before the Budget, but there is an acting person who is doing Secretary for Home Affairs at the moment.

*Prime Minister's Office – Programme Code 201: Prime Minister's Office (Rs583,400,000) was, on question put, agreed to.*

*Prime Minister's Office – Programme Code 211: Government Information Service and Provision of International News was called.*

**Mr Bhagwan:** Can I ask the Prime Minister the same question that I have been asking for the past five to six years concerning the apportionment of Government publicity, whether the Prime Minister has been able by now to put some order and there is an equal share to all the responsible newspapers and whether a new policy has been approved by the Prime Minister.

**The Prime Minister:** Mr Chairperson, the problem has been that there is a court case in pending litigation and litigation has already started. Obviously, all sort of information is being sought and I am not prepared myself to put Government in a situation to explain, let the Court case be decided. I must say that maybe the percentage is different but, there is for example, a dispute on whether one newspaper or a group of newspapers should be provided funds from Government publicity. We are looking at how the Court will interpret this.

**Mr Obeegadoo:** On page 111, there is a total budget of Rs49.7 m. that we are to approve for the Government Information Service (GIS). I am sure that the hon. Prime Minister will agree that while the GIS does fulfill some very important functions, some of its work can be

questioned as to the cost-effectiveness of its operation. Would the hon. Prime Minister consider again an independent evaluation of the work carried out by the GIS to decide what work it still needs to carry out, what can be contracted out and to review budgetary provision for the future as Rs49 m. is a lot of money?

**The Prime Minister:** I tend to agree that Rs49 m. is a lot of money. In fact, I do not like the name itself, 'Information Service', it gives the impression as if we are under old communist regimes. In fact, I have asked my staff and we are going to re-look at all these organisations and we need to have value for money.

*Prime Minister's Office – Programme Code 211: Government Information Service and Provision of International News (Rs49,782,000) was, on question put, agreed to.*

*Forensic Science Laboratory – Programme Code 221: Provision for Forensic Services was called.*

**Mr Baloomoody:** At page 118, may we know from the hon. Prime Minister who is heading the Forensic Department actually and whether a new building has been found for the Forensic Science Laboratory (FSL), being given that the FSL building is no longer fit for the purpose because of its size, etc, whether we are looking for a new building for the FSL and whether provision has been made for that?

With regard to the training of staff, we find that there is no provision for additional staff as only two forensic scientists are taken. Further, whether access to the FSL will be available and whether defense or members of the public can have access to the services of the FSL for forensic experiment?

**Mr Obeegadoo:** At page 122, *Item No. 22140 - Medical Supplies, Drugs and Equipment*, a fourfold increase in the proposed budget and, further down, at *Item No. 31 – Acquisition of Non-Financial Assets*, presumably relating to machinery and equipment, Rs4 m. goes up to Rs15 m. may we have some clarification as to what this entails?

**Mr Soodhun:** At page 123, Sir, Item No. 190084 - Director, Forensic Science Laboratory - we understand that the contract of the former Director has not been renewed. Can I know whether the new Director has been appointed and can I have the name of the new Director?

**Mrs Ribot:** Mr Chairperson, I understand that you are taking the chapter as a whole. So, I'll like to know from the hon. Prime Minister, if Forensic Scientific Officers attached to the PMO are entitled to undertake private work.

**The Prime Minister:** First of all, it is not correct to say that the Director of the Forensic Lab contract has not been renewed. When she was appointed, she clearly stated - I don't know if I did answer a question in Parliament, maybe it was a written reply - that she wanted the contract for one year because she has a child who needs special attention. She doesn't think that she will be able to stay for more than one year. On the expiration of the contract, therefore, she did not want her contract to be extended. We have re-advertised the post; open to both Mauritians and Non-Mauritians. At the moment there is a Deputy Director, who has been assigned her duties at Forensic Science Lab, pending after the advertisement and the response we get.

I understand that no officers of the FSL do private work. That is what I'm told. As you said earlier, Mr Chairperson, I have to rely on those information that I get. But, this is what I am told.

As for the relocation of the Forensic Lab, yes, it is true that we are looking at the relocation because there are securities aspects, lack of space, some structural problems as well, which they probably either need to rent or to move to somewhere else. I think, they are looking at the option at the moment and then they will be submitted to a Project Plan Committee to decide what they want to do.

There are two more things that I have been asked about. There was a question about the machinery and equipment, what was procured during 2011, a video Spectral comparator, new air conditioning unit, fire alarm system, PCR work station and the costing system. For the 2012, there will be need for gas chromatography, a laboratory integrated system software and computerised comparison microscope for ballistic section, which need to be bought. As for the training of the FSL staff, an 8-week training programme was organised by the FSL and was given by two UK DNA experts, to include statistical analysis of DNA, courtroom skills and statement writing. Two DNA scientists are proceeding now to South Africa for further training on DNA equipment this month.

At the moment, the public do not have access to FSL for the time being. I think that this is something that we can look at. I am sure that we will be dependent on paying a fee, it won't be provided for free, but I have to check about those possibilities.

**Dr. S. Boolell:** May I ask the hon. Prime Minister, under the *item 22030, Rent*, there is a consequential increase from Rs500,000 to Rs1.5 m., any clarification on that matter?

**Mr Bodha:** May I ask the hon. Prime Minister whether we still have recourse to foreign forensic expertise, and if so, where do we have the funds available for that practice in the Budget?

**Mr François:** With regard to the Satellite Laboratory just set up in Rodrigues, mention is made about ‘to analyse simple drug’, may I know what are simple drugs?

**Mrs Hanoomanjee:** On page 122, under *item 22060, Maintenance*, can we have some clarifications from the hon. Prime Minister as to how the provision has been increased from Rs1,530,000 to Rs2,231,000?

**Mr Obeegadoo:** In fact, it is a question that I have already put, which was missed by the hon. Prime Minister. On page 122, under *item 22140, Medical Supplies, Drugs and Equipment*, I note a four-fold increase in spending, compared to 2011. I would like some clarifications as to why there is such a significant increase proposed.

**The Prime Minister:** First of all, the rental has increased because they will either have to move to a different building - there are structural problems with that building from what I understand - or otherwise, as I said the option will be to build. I think that they would probably have to move. There is also the question of lack of space there.

There was a question on maintenance, the increase is in fact - apart from all the usual increase - due to what I have mentioned earlier, that is, the additional equipment that has been purchased in the year 2000. I just mentioned the video Spectral comparator, new fire alarm system and all these. This is why the price has increased.

The foreign forensic test is being done by the Police Department at the moment.

As for Satellite Lab set up in Rodrigues, is for simple cases of drugs and liquor cases. But, what do they actually mean by ‘simple’ is what your question is. I don’t know about the simple drugs that they are talking about, I am not quite sure myself. Probably, what they mean is that there are basic tests to start with.

*Programme Code 221: Provision for Forensic Services (Rs66,425,000) was, in question put, agreed to.*

*Programme Code 231: Public Sector Compensation and HRM Policy and Strategy was called.*

**Mr Gungah:** At page 125, may I ask the hon. Prime Minister whether Government is contemplating to have a PRB report every three years instead of five years in the future.

**The Chairperson:** That is a policy matter.

*Programme Code 231: Public Sector Compensation and HRM Policy and Strategy (Rs30,175,000) was, on question put, agreed to.*

*Programme Code 241: Civil Status Affairs was called.*

**Mr Obeegadoo:** At page 136, last item, the savings culture campaign; I would like some clarifications from the hon. Prime Minister. Earlier yesterday, hon. Li Kwong Wing raised the issue of the saving rate right now in Mauritius, which is a matter of preoccupation, may we know - this will appear to be a new - ...

**The Chairperson:** I will make a humble request to the hon. Member, please shorten your intervention.

**Mr Obeegadoo:** I shall do so, Mr Chairperson. Can I ask the hon. Prime Minister whether this is a new item, and if so, what are the precise objectives and what will be the modalities of this campaign?

**Mr Baloomoody:** On page 132, with regard to the issuing identity card, can I ask the hon. Prime Minister whether a new building is being found because there have been many complaints with regard to the actual place, they have moved to Port Louis.

**The Prime Minister:** Which page?

**Mr Baloomoody:** At page 132. The place where actually identity cards are being issued in Port Louis is not convenient. It is on the first storey in that building, it has moved from Renganaden Seeneevassen building. Can I ask the hon. Prime Minister whether a new appropriate building is being found, and whether we intend to decentralise that service, so that everybody doesn't have come to Port Louis. There is one at Rose Hill. For the first issue, you can go to Rose Hill, but if you have to renew you have to come to Port Louis.

**Mr Jugnauth:** At page 136, Muslim Family Council, may I know who is now chairing the Council and the number of cases presently before the Council.

**Mr Uteem:** Under the same item, Muslim Family Council, may I know the number of weddings and divorces that have been registered with the Muslim Family Council?

**Dr. S. Boolell:** On page 132 - *Registration of birth, death and civil marriage*, may I ask the hon. Prime Minister whether he is aware of the great inconvenience to members of the public to get someone who dies during the week end to be registered, so as the funeral may proceed?

**The Prime Minister:** First of all, let me answer this new issue about savings. This is payment to each baby born. We started a Savings Culture Scheme to begin with the babies, which was introduced by government to grant Rs200 to children born from midnight of January 1997. The scheme was implemented through the Post Office Savings Bank, and previously the payment was being made by the Ministry of Finance. Now, it will be transferred to the Civil Status Division as from January 2012.

The NIC Unit operates at the building in Port Louis since November 2009. The services are being provided for disabled persons at the ground floor of the Emmanuel Anquetil Building, I am told, and the cafeteria building is also being turned into an NIC Unit. But I totally agree with the hon. Member that it should be decentralised. Why does everybody need to come to Port Louis? This is why I said that we have to do lot of lateral thinking, because people have a tendency to have a comfort zone; it has been done there for years, and it will be done there for years. I think I tend to agree with the hon. Member and will try to follow up on this.

As for the officers of the Civil Status that are providing emergency service from 1200 hours to 1700 hours, there is an on-call allowance of Rs180 per day, a travelling allowance of Rs130 and then an allowance for each registration of death, including the issue of burial, which is Rs210. I also tend to agree, because I know of this problem. People tell us they have difficulty when someone dies in week ends. I wish everybody did their bit in this country, Mr Chairperson.

As for the Muslim Family Council, the Chairperson is Mr Said Buckorally. There are four members in that Council, namely Mr Abdus Sabu Swaley, Mr Yacoob Makhrjee, Maulana Rashid Ahmed kazi and Mr Abdul Cader Cassim.

The hon. Member wanted to know how many weddings and divorces have been registered there. We don't have the figures, but I can circulate it afterwards.

**Mr Baloomoody:** On page 137, *Registrar of Civil Status*. I did ask a question last time about the issue of registration of birth in prison and the hon. Prime Minister told me that he would look into it. The Civil Status Officer is not allowed to register a birth in prison. Can I ask

the hon. Prime Minister whether the matter has been looked into and whether now, if a father who is in jail wants to register his baby born outside, this can be done?

**The Prime Minister:** Are you talking about a father who is in jail and who wants to register a baby who was born outside? I wonder whether I misread last time, because we did look into it and I thought you were referring to the women prisoners who have their babies in jail. Now, we are talking about the father. I will have to check what has been done about this.

*Civil Status Division – Programme Code 241: Civil Status Affairs (Rs66,438,000) was, on question put, agreed to.*

*Religious Subsidies – Programme Code 251: Financial Support to Religious Organisations was called.*

**Mr Obeegadoo:** Mr Chairperson, this is a huge amount which traditionally the State pays out in order to have some transparency. Would the hon. Prime Minister agree to circulating, as soon as possible, a detailed breakdown of this sum? I know it is not possible today. But, in the interest of transparency, could we have the details?

**Mr Barbier:** May I ask the hon. Prime Minister whether ‘*Mission Salut et Guérison*’ is one of the beneficiaries under this code and, if not, why not?

**Mr Uteem:** Under the same item 28, on page 139, we note that the amount budgeted is the same for the next four years. Does that mean that the list of beneficiaries has been frozen and that no new beneficiaries would be able to get these subsidies?

**The Prime Minister:** With regard to the first question, I am prepared to circulate the list. There are 11, as you would see from the list, except the Association for Amadyas that said they do not want to have subsidies, which is I think very commendable.

With regard to ‘*Mission Salut et Guérison*’, they are not on the list, but if you ask me, maybe they should be on the list. I can’t say whether they have not applied. I am not sure; I will have to look into it. But I can have this circulated.

*Religious Subsidies – Programme Code 251: Financial Support to Religious Organisations (Rs74,600,000) was, on question put, agreed to.*

*External Communications – Programme Code 345: Civil Aviation and Port Development was called.*

**Mr Obeegadoo:** Page 141, the major constraint here is being addressed in terms of upgrading of the quay at the MCT. This is a very important and long overdue project. Would

the hon. Prime Minister be kind enough to tell us what sort of time frame is envisaged for this important upgrading work and whether it is to be accomplished within the next financial year, since I could not find the corresponding budgetary provision?

My second question is with regard to *Programme Code 345 - Civil Aviation and Port Development, Compensation of Employees* on page 144. The amount budgeted almost doubles from Rs7.9m. to Rs14.3m. Again, I cannot find a corresponding increase in posts. Maybe, the hon. Prime Minister might care to enlighten us.

**Mr Baloomoody:** On page 142, *Programme 345 – Major Services; Strategic partner for the Cargo Handling Corporation Ltd identified*. May we know who that strategic partner is, and what are the conditions with regard to the merger of CHC and the strategic partner?

**Mr Uteem:** On page 141, regarding the *Major Constraints and Challenges and how they are being addressed*, the Mauritius Ports Authority is going to make an extension and dredging. May I know from the hon. Prime Minister, first of all, whether tender procedures have been launched and, secondly, whether the dredging work will also enable big pleasure craft vessels to come to Mauritius?

**The Prime Minister:** First of all, Mr Chairperson, regarding the Port, I think, I mentioned, in fact, in my Speech yesterday that we will need to have an extension for the Mauritius Cargo Terminal and also, the dredging of the navigation channel projects which have to be done. Now, we are looking for a strategic partner, as you said, for the Cargo Handling Corporation Ltd. In fact, in December 2008, if I am not mistaken, Government decided that they will disinvest 40% of its shares in that. In 2011, we did agree that the Board would be responsible for the appointment of a Managing Director and the Chief Operating Officer. I can tell the hon. Members that pre-bid meetings were held with the pre-selected bidders in the presence of the International Finance Corporation (IFC). At those meetings the bidders raised concerns mainly regarding management control and staffing. The IFC is preparing a report on the views, they will comment on the views and tell us what they think we should do.

There have been five pre-qualified bidders. The final bid documents are expected to be issued on 19 December of this year. The closing date for the submission will be January 2012. I think the dredging works will start in July 2013 and is expected to end by the end of 2013. I think there is a problem with regard to the dredging work because we had recently, if you remember, a boat which was stuck in the Port. This was because there is movement underneath

and you need constantly to have dredging. They want to make sure that the Port is clear and that we don't have the same problem again.

There was a question about the increase in the amount of compensation. This is as a result of the following sub items which have been included for the next financial year. There is a salary compensation of Rs1.6 m., the cash in lieu of leave for Rs3.4 m. These items were previously under the vote of the Accountant General and were, therefore, not under that vote. That is why it is appearing as if it's new.

**Mr Jugnauth:** With regard to dredging, is the hon. Prime Minister aware that to allow the Red Eagle to come closer to the quay the Ports Authority had used a mooring budge to attempt to dredge. In fact, the mooring budge sunk and they have put a buoy there and they have retained the services, I think, of a private company. Now, to try to remove this mooring budge - and this is, of course, a loss to the Ports Authority - they are trying to see to it that they get the proper equipment for this kind of work. Is the hon. Prime Minister aware of that?

**The Prime Minister:** In fact, that is the problem that we have; we need to do things professionally, that is, all the discussions we have had about changing mindset and all this, we need to be able to approach things professionally, not the *laissez aller faire* they think. I don't know who decided on that but, obviously, it was the wrong decision.

**Mr François:** Mr Chairperson, just for clarifications - I don't know if you will allow me. It is announced that there will be dredging works at the Port area in Rodrigues which, I understand, is under the MPA's responsibility, but there is no mention in the Budget of any provision. Do I understand that there will be no dredging work in the Port area for next year?

**The Prime Minister:** Two things; if you remember, you, yourself, asked me a PQ some time back about - I think it must be you who asked me - the environmental problem that they might have with the dredging. I don't know whether you are asking about the same issue. If it is other issues, it's a very small sum.

**Mr Bodha:** Mr Chairperson, as regards the air access issue at page 142, the primary objective is to improve the air access for better connectivity. May I ask the hon. Prime Minister whether we have any study which is being envisaged to charter the way forward with regard to the air access?

**The Prime Minister:** There is a professional company which has been working with Air Mauritius. I think they are submitting a report at the end of December; not just air access. They

are looking at all the issues but that will include also air access. We want to wait for the report. I believe the report will be presented next month, then we will be able to decide.

**The Chairperson:** Last question!

**Mr Uteem:** On page 145, I note that under the *item No. 32145513 Loan to Airports of Mauritius Co. Ltd.*, there is Rs1.2 billion estimated for 2011 and then, Rs1 billion for 2012. May I know from the hon. Prime Minister what is the total amount of loan which the Government has made to Airports of Mauritius and when is this expected to be repaid?

**The Prime Minister:** In fact, I think there was a PQ on issue that the whole project is being done by the *Aéroport de Paris*. There was bidding for a Chinese company. There was also a requirement that we take the loan from the Exim Bank which they did at 2%, if I remember. Now, the provision to finance it is being done by a loan of Rs513,372,400 equivalent to the 19 million US Dollars which have been disbursed to AML for the implementation of that project. The whole amount was not required, Mr Chairperson, on the renewed cash flow forecast. So, the balance will be required now, in 2012.

*Programme Code 345: Civil Aviation and Port Development (Rs1,317,349,000) was, on question put, agreed to.*

*Police Force*

*Programme Code 261: Security Policy and Management was called.*

**Mr Obeegadoo:** Mr Chairperson; since, this is a very important chapter with many pages, may I suggest that we go page by page?

**The Chairperson:** Yes, we will go page by page.

**Mr Baloomoody:** At page 151, Mr Chairperson, ....

**The Chairperson:** No, you don't have any question here.

**Mr Baloomoody:** We find on the *Major Achievements for 2011* that there has been a mediation process introduced. May we know when this process was introduced and how many sessions of mediation there have been? *Victim Support and Advise Programme implemented* - may we know, again, where this Unit is and how many victims have been supported by this programme and how many advise programmes there have been? In both cases, may we know exactly how many Police officers are attached to each Unit? With regard to *Signal Crime Perspective introduced to better engage the community in understanding crime and disorder*, are we talking about community policing and, if so, may we know in Constituency No. 1 how many

meetings there have been with regard to community policing, especially in Camp Chapelon and La Tour Koenig? Now, the Closed Circuit TV (CCTV) operational in Port Louis and Grand' Baie, may we know in Port Louis where exactly these CCTV are?

Regarding the Digital Radio Communication System, are we talking about the new telephone which has been provided to Police Officers who are all complaining that it is not working because of the wavelength, where they have 4-digit number which has been provided to each and every Police Officer, but, unfortunately, there are many complaints?

**The Chairperson:** Any further questions on page 151?

**Mr Obeegadoo:** On page 151, Mr Chairperson, victim support has already been asked so, I would like to go to the Community Policing Forums. This has been raised by hon. Baloomoody in respect of his Constituency. I would simply like to know how this works, what are the modalities of these Community Policing Forums and if, in the case of Curepipe, for instance, I could have some information of what has been attempted and achieved so far since I have not heard much about this practice? And then, the last bullet, 770 Trainee Police Constables enlisted in June 2011; I have two questions. The first is to ask whether we may have an idea of the number of retiring Police Constables every year. There must have been some assessments on average how many retire. As regards these 770 Police Constables, when is it that the recruitment procedure was initiated? How much time did it take up until they were enlisted in June 2011?

**Mr Soodhun:** Regarding the Annual Report of 2010, can the hon. Prime Minister state when the report has been published and if a copy of same could be tabled? Secondly, under the same item, we have the 'mediation process introduced'. May I ask the hon. Prime Minister if mediation is being implemented in case of family in neighbourhood nature and if Police Officers are making good use of this?

**The Prime Minister:** First of all, on the mediation process, as at to date I am told that some 40 sessions have been held. The community policing is done by the Divisional Commanders. That's the second question.

There was a question about the forums for the Community Policing. They are at the high school level, at the station level, at the divisional level and also for businesses.

There was another question about the Digital Radio Communication System which I explained. In fact, I mentioned this, again, in my speech. There are different types of systems

that they are introducing. The system has a total of 3,000 terminals, that is, 2,500 normal handheld and 400 enhanced ones. The main control is located at the Police Information and Operational Rooms at the Line Barracks.

There was a question about the high number of Police Officers leaving the service before attaining retirement. It seems to have been stabilised. Every year, it is about the same figure. It is between 250 and 300; last year it was 381. I have just said that we are recruiting another 800 Police Officers. Holders of B.Sc. in Police Studies are posted as staff officer at different divisions and branches and in the context of the forthcoming PRB report, proposals have been made to review the pay and the conditions of service of Police Officers. If you ask me the Police Officers and the nurses, these are the people who are doing very important services. I think we have asked the PRB to have a special look at this. It cannot just be looking at equivalence here.

As for the CCTV cameras, you don't seem to know what is happening, even in Port Louis.

*(Interruptions)*

But it is a good thing you don't watch because you might see yourself on TV from time to time. But lots of developments are happening that you guys don't seem to know. The CCTV cameras, I opened it the other day. It was in the papers also. The central is located at the Line Barracks and it is very effective. It is covering many regions in Port Louis, but, obviously, for security reasons, we don't talk about them, but all I can say is that they are at strategic places in Port Louis.

**The Chairperson:** Can I inform hon. Members that we are now on vote 261 and the details of vote 261 are found at pages 158 and 166. So, when we discuss vote 261, these pages have to be taken into account. Otherwise, I am not going to allow further questions on these pages when we go to vote 262. So, you have to compare.

**Mrs Ribot:** Mr Chairperson, the hon. Prime Minister just mentioned that there are between 250 and 300 Police officers leaving the service before attaining retirement age. First of all, I would like to know whether a study has been carried out to know why Police Officers are leaving the service before retirement age. And then can we know the number of Police Officers who retire every year and when was the last recruitment exercise?

**Dr. S. Boolell:** On page 159, *Programme 261, under the item 22120: Fees*, there is a consequential...

**The Chairperson:** The details are there.

*(Interruptions)*

We cannot go page by page. Vote 261 starts on page 154, that is, the summary; then we have the details of the Security Policy Management on pages 158 and 159. Furthermore, Security Policy and Management on pages 166 and 167, these are vote 261.

**Mr Obeegadoo:** *On Programme 261 Major Achievement for 2011*, which is on page 151, there was one question which I asked for which I have not yet got an answer. I am sure the hon. Prime Minister missed that. So, can I just remind the hon. Prime Minister of the question?

**The Chairperson:** Yes, but he will give you the reply. Let him put the question on the same vote.

**Dr. S. Boolell:** *Programme 261 item 22120 Fees* – there is a consequential increase from Rs4.6 m. to Rs9 m. I would like to have some details on it. There is one study with the *National Policing Strategic framework*. We are being asked to vote Rs3 m. for the year 2012. I would like to know what is the purpose of the Rs3 m.?

**Mr Obeegadoo:** Can I just remind the hon. Prime Minister of the question on page 151 - *Recruitment of Police Constables* having regard to the recruitment mentioned of 770 Trainee Police Constables enlisted in June 2011? My question was: when was the procedure initiated, was it in 2009 or in 2010? I would like to have an idea of how long it took? Then, if we have now gone on to *Programme 261*, Mr Chairperson, on page 159, at the top of the page, *item No. 22130, Studies and Surveys*, could we be provided with some indication as to what these studies concerning National Policing Strategic Framework at a cost of Rs3 m. are expected to bring benefits?

**The Chairperson:** This question has been asked by hon. Dr. S. Boolell!

**Mr Obeegadoo:** So, may I go down to the item *Uniforms* and ask the hon. Prime Minister whether there has been a change in practice in terms of procurement of Police uniforms? There was some information that appeared in the press and I am not quite sure what to make of it. I would like to know whether the practice is still the same or has been changed.

Now, further down under *item 31 Acquisition of Non-Financial Assets*, there is a construction of a central armoury which, I understand, is a very important and urgent issue and yet the budgetary provision is not being foreseen in 2012, but being postponed to 2013. I would

like to know why that is. The next one - I don't know whether hon. S. Boolell raised the point - construction of a mortuary and research centre at Moka.

**The Chairperson:** The hon. Member has put a series of questions, let the Prime Minister answer. Otherwise, he will complain that his questions are not being answered.

**The Prime Minister:** That is what happened. Sometimes, they ask question just for asking. I can't see the points sometimes and some of these questions have been answered by PQs. I will go through them if need be.

The question about high number of Police officers leaving the service before attaining retirement age, I gave the number as an average earlier on. I was asked about the turnover and whether a study has been done. It has been done. Sometimes it is on medical grounds, sometimes it is on dismissal. I'll give the hon. Member the figures if he wants. In 2009, 24 were dismissed, 52 were resignation, 5 were because of seconded transfer, one on marriage ground, 25 passed away, 46 retired on the length of service, 38 retired on ground of age and 59 retired on reaching age limit. Basically, the figures tend to be the same except for resignation, which we find has increased, it has actually doubled.

Very often, they have taken new jobs somewhere else, Mr Chairperson. For the National Policing Strategic Framework, it is based, as I mentioned earlier, on the six pillars and it will have 20 projects; 10 have been implemented, five will be implemented next year and five other projects in 2013.

As for uniforms, tender exercise for the supply of ready-made uniforms were been approved in October 2011. One supplier has applied for a review of the decision of the Police department to the Independent Review Panel. In other words, to answer to the question of the hon. Member: no, the system has not changed, they are still going through procurement. As for the central armoury, it is proposed to start the project now in 2013.

**Mr Soodhun:** At page 159, *item 31121 Transport Equipment*, can we have the number and the types of vehicles that will be acquired and has provision been made for the replacement of ERS vehicles as the present ones aged more than seven years. The second *item 3112132401 e-Government Projects (b) Crime Occurrence Tracking System (COTS), phase I.* Mr Chairperson...

**The Prime Minister:** We don't know what page the hon. Member is referring to.

*(Interruptions)*

**Mr Soodhun:** Mr Chairperson, only a sum of Rs8 m. has been budgeted for the 2012. Can I know from the Prime Minister when the other phase will be implemented and why no provision been made?

**Mrs Hanoomanjee:** At page 159, *item 22160 Overseas Training*, can we know from the hon. Prime Minister in which fields training will be conducted and why the figure has gone down from Rs3.6 m. to Rs2.6 m.? Then we see there is a fluctuation, it goes up again. May I know whether less officers who will be trained?

**Mr François:** At page 159, *item 31122999 Acquisition of Electronic Bracelets*, I would like to ask the hon. Prime Minister whether the bracelets will be used in Rodrigues and, if yes, will the system monitoring cater for movement of detainee or defended between Rodrigues and Mauritius?

**Mr Baloomoody:** I refer to *item 22150 Scientific and Laboratory Equipment and Supplies*. Last year, I did ask the hon. Prime Minister and yesterday in his speech he mentioned that we have bought equipment for fingerprint. Is the hon. Prime Minister aware that up to now we still have in each and every Police Station the old system that you have to rub your hand on this *coaltar* which is a paste. There is no modern equipment in our Police Stations. We still have all this equipment and last year I made a suggestion that we should buy a scanner; the person just puts his hand on it and it scans. I would like to know whether this is in the pipeline so that we can do away from all this old system. With regard to acquisition of vehicles, can I ask the hon. Prime Minister to ensure that appropriate procedure is being followed? We know the findings of the Director of Audit's report. This is damning against the Police. One supplier who was not invited to bid, but he submitted an offer and was ultimately awarded the contract to supply 22 double cab vans for a total amount of Rs15.3 m. without any tender. In fact, he has not submitted any offer; he was invited to. Can I ask whether appropriate procedure will be...

*(Interruptions)*

**The Chairperson:** Put the question!

**Mr Baloomoody:** I am not making a speech; I am referring to the report of the Director of Audit. I have asked the hon. Prime Minister ...

*(Interruptions)*

**The Chairperson:** Order! Hon. Ameer Meea!

**Mr Ameer Meea:** Thank you, Mr Chairperson. On page 158, *item 22010 Cost of Utilities*, there is an amount of Rs51m. Can we have a breakdown of this and also, compared to last year, there has been a substantial decrease from Rs112 m. to Rs51 m. Do we know the reason why this amount has been reduced to half?

**The Prime Minister:** There are so many questions that have been asked uselessly, Mr Chairperson. This is why I am reacting like this. They ask questions, they asked PQs, they ask the same questions. We can't go on like this.

There was a question as to the recruitment of the 707 Policemen. They go through the whole process, it was advertised in 2010. They were recruited in 2011. We have advertised for 800 this year. They will be recruited next year. I think I was asked about tendering procedures for the acquisition of vehicles.

The tendering procedures had been completed for 148 vehicles for a total cost of Rs141.5 m. I think there was a question on the overseas training courses. It is for the provision of the air tickets and subsistence allowance. There is a decrease which is based on the trend of expenditure for 2011. The training courses covered the following main fields: criminal investigation techniques, military training in response to piracy operations, commandos training, human rights and international military law, counterterrorism, military peacekeeping operations, disaster management. The list is very long. If the hon. Member wants, I will circulate it, Mr Chairperson. There was a question about the Crime Occurrence Tracking System, what we call COTS. This will enable the Police Department to acquire a state-of-the-art information system through which close monitoring of all crime occurrences over the island will be possible. This project would be implemented in three phases. There will be a pilot project first and then there will be a final project. During the pilot phase, the Crime Occurrence Tracking System would be implemented at two divisional headquarters with this unit comprising of 18 Police stations and Police headquarters. The first phase would be operational by December of this year.

As for the fingerprinting, you probably misheard me. I was not talking about taking the fingerprints. I was talking about having the data in a computer so you can compare it easily. There was no computer at all. I am the one who got the Police to buy an automatic fingerprint recognition computer after I became Prime Minister for the first time. Believe it or not, there was none in this country. Police Officers were taking the prints and looking at these against the light, which was unbelievable.

(*Interruptions*)

**The Chairperson:** Order! Otherwise, I am going to suspend the sitting and I am going to see the Government Chief Whip and the Opposition Chief Whip. I am going to allocate time according to the Standing Orders. We cannot continue like this, we will never finish.

(*Interruptions*)

Order! Order! Order, I said! Last year, we allocated fifteen minutes per Code. My records say fifteen minutes. I will allow the last question from you.

**Mr Obeegadoo:** Mr Chairperson, I was putting questions and then you asked me to stop to allow the Prime Minister to answer. On page 159, I don't know whether this is the right place to raise the issue. Is the Prime Minister aware – I am referring to all the machinery and equipment - I don't know whether Police stations come here, but at Curepipe Police Headquarters, there is a very serious issue concerning the phone system - *standard téléphonique*. It is very difficult to get through to Curepipe Police Headquarters. Will the Prime Minister agree within provisions for next year to consider taking appropriate measures to resolve this problem which is very serious in Curepipe?

**The Prime Minister:** I have not been made aware of this, but I will look into the matter.

*Programme Code 261: Security Policy and Management (Rs1,705,565,000) was, on question put, agreed to.*

*Programme Code 262: Community Safety and Security was called.*

**Mr Bhagwan:** I have one question, Mr Chair. It concerns the purchase of motorcycles. I know the quantity has been mentioned. Has the hon. Prime Minister given instructions to the Police to buy motorcycles which are not of low saddle? This has created not only accident problems but health problems to the traffic officers. I received complaints myself and from what we have observed it is a permanent danger to these Police Officers.

**The Prime Minister:** In fact, if I may answer. I thank hon. Bhagwan who had pointed this out before. I have transmitted this, but I think that I will have to ask them because they have to decide what motorcycle they want or not. I did mention it to the Commissioner of Police at one time about what is the procedure, who decides what and whether we need to have another look at all this.

**Mr Obeegadoo:** There are two issues that I would like to raise, Sir. At page 160, *under item no. 31 Acquisition of Non-Financial Assets*, there are two Police Stations which require

urgent expansion. One is Eau Coulée Police Station and the other is Phoenix Police Station. This matter has been raised by hon. Sorefan.

**The Chairperson:** The question should be whether, in this particular amount, the extension of Eau Coulée Police Station and any other Police Station are included.

**Mr Obeegadoo:** Thank you very much, Sir, so I'll go on to my next question since you have asked my question.

**The Chairperson:** There is no need to make a speech.

**Mr Obeegadoo:** My second question is under *item no. 31112014 Construction of Regional Detention Centres*. May I know from the Prime Minister whether next year provision will be made for eight detention centres in the Upper Plaines Wilhems because the problem is very acute. Young people aged 18 or 19 have been sent to Beau Bassin on remand.

**The Prime Minister:** The first answer is no. The second answer is yes.

**Mr Lesjongard:** Chair, with regard to page 160, *item no. 31112012 Construction of Police Stations – Cité La Cure Police Station*. Can we have an indication from the hon. Prime Minister where will it be located exactly and when construction is planned to start?

**Mrs Labelle:** Mr Chair, regarding this item of construction of Police stations, I have some questions regarding Police stations at La Gaulette and we see that last year there was an amount budgeted, but nothing for the coming year, then it is resuming the year after. May we know from the hon. Prime Minister whether this project is being put aside for the meantime? Mr Chair, regarding the Police Station of Bambous and Black River, particularly Black River Police Station which was to be ready during the mid of this year, has construction been finalised and also what is the status of the Bambous Police station?.

**Mr Barbier:** At page 160, *item no. 22120 Fees* – there is a considerable increase from Rs2 m. to Rs7 m. for this present Budget. Can we have some explanations?

**The Prime Minister:** First of all, for the construction of the Police Station - when I said for example one of the Police Station, the answer is no; it does not mean that it will never be constructed, but it is not in this list at the moment.

As for La Gaulette Police Station to start with the first one, the project is at a design stage and will be implemented in 2013.

For Cité La Cure, the location will be near Vallée des Prêtres. All I know it will be in Vallée des Prêtres. It is also at design stage and it will be implemented again in 2013.

For the Black River Police station, the contract was awarded to a company in November 2010. The contract has been extended up to 16 September 2011 and provision is made for payment of retention money. As for the Bambous Police Station, the contract was awarded again to a company and the work would be completed next year.

**Mr Baloomoody:** Under *item no. 31112014 Construction of Regional Detention Centres*, can I know from the hon. Prime Minister where matters stand with regard to the Piton and Rose Belle Regional Detention Centres and whether they will be equipped with CCTV Camera?

**Mr François:** With regard to *item no. 31121801 Acquisition of Vehicles*, I would like to ask the hon. Prime Minister whether there are sufficient provisions to increase the float of vehicles for Rodrigues, especially 4 X 4, and also I would make a request for a water tank to service the Police with water, especially during the dry season.

**Mr Bhagwan:** With regard to *item no. 26202: Road and Public Safety*, can I know from the Prime Minister whether provision has been made to increase the Bike Patrol Unit which is used for road safety, especially for people going to the *Promenade de Santé* and on the main roads?

**Mr Lesjongard:** With regard to the Cité la Cure Police station, hon. Prime Minister my question is to know the precise location of the Police station. Now I understand that they have forwarded you with information where the Police station will be at Vallée des Prêtres. There are two distinct and different locations – one is Cité la Cure and the other one is Vallée des Prêtres. Will it be at Cité la Cure or will it be at Vallée des Prêtres?

**Mr Uteem:** Chair, at page 161, *item no. 22120 Fees*, there has been an increase by Rs2 m. for each of the years – 2012, 2013, 2014. May I know what this increase in fees is really?

**Mrs Labelle:** On page 161, I am talking about Sub-Programme 26203 – *Support to Community*. Mr Chair, when I go back to the services provided under indicators on page 156, there are different services to the community, namely *Counselling services to victims of domestic violence and child abuse*, *Juvenile delinquency awareness*, *Crime prevention awareness*. I do not see the figures for the previous year, 2010. These figures were given last year, but I cannot see these figures. So, I would like to know whether these have been carried out and what about the number of meetings held under these different programmes. Also, Mr Chair, there is a figure of 822 meetings with business community. May we have some details regarding these meetings?

The figure of 822 seems to be a big one. So, can we have some information regarding all these services?

**The Prime Minister:** There was a question about the construction of the regional detention centre at Piton, the structure drawings are in process. The project is meant to be implemented in 2012, provisions have been made for part payment and the estimated cost of the project is Rs45.5 m. I think there was a question on transport, if I am not mistaken. There are, in fact, two. As you can see, there is a road and public safety and then there is a Police Force, both of them are concerned. Provision for 20 vans, 4x2, 4 vans 4x4, 15 cars station wagon, these are for replacement of vehicles which are more than seven years old. As for the question about motor by patrol, the answer is yes, provision has been made for motorcycles by patrol. In fact, I mentioned this in my speech yesterday as hon. Baloomoody reminds me.

**The Chairperson:** Page 162!

**Mr Bodha:** As regards item 220220 – *Fuel and Oil*, may I ask the hon. Prime Minister to enlighten us as to the increase from Rs4.2 m. to Rs7.2 m. in a year?

**Mr Seeruttun:** *Item no. 22060 – Maintenance.* Despite the fact that we have been spending much more money on acquisition of vehicles, the maintenance costs are going up year by year, could we have some explanation on that?

**The Prime Minister:** I should say I forgot to answer the question on Rodrigues. The number of vehicles will be increased. There is a consideration for a water tank. I forgot to mention that. As for the other question, I finally got the answer. The *Cité La Cure* Police station will be at Vallée des Prêtres junction. So, I do not know whether that satisfies the answer. There are so many questions, Mr Chairperson, there was a question about support to the family; the campaigns for sensitisation last year were 362 and the number of child protection awareness campaigns in schools has been 162. The other one has been 362, this one is 162 and the number of lectures and meetings is 329. There was also a question on the fuel and oil. The increase in the provision, I am told, is to cater for purchase of fuel and oil; for the additional motorcycle, 104 in all and the two station wagons to be acquired. Also, we are going through this process, it is a new process, they make estimates, they have to rebalance the estimates afterwards. I suppose within a couple of years, this will be streamlined.

**The Chairperson:** Any question on page 162? No? So, we now move to page 166. Vote 262 at page 168!

**Mr Jhugroo:** Page 164, Mr Chairperson. Can the hon. Prime Minister...

**The Chairperson:** I am sorry! Wait!

(*Interruptions*)

**Mr Jhugroo:** Can the hon. Prime Minister...

**The Chairperson:** No! On page 164, there is no vote 262. Now the vote 262 goes to page 168. So, if you want to speak on that, go to page 168 and then I will come back to the other pages. Any question on page 168, because the details are on page 168, I have said that. It is difficult to follow, but you have to follow.

**Mr Obeegadoo:** I am trying to follow. I hope the hon. Prime Minister will understand. I have two questions, Chair. One is a general question. Could the hon. Prime Minister give us an indication of the number of vacant positions?

**The Chairperson:** On page 168?

**Mr Obeegadoo:** On page 168.

**The Chairperson:** Which item?

**Mr Obeegadoo:** This is a general question, Sir. I do not know...

**The Chairperson:** It cannot be general, it has to be itemised.

**Mr Obeegadoo:** OK. Under the item then – Programme 261: *Security Policy and Management*. May I know the number of vacant positions in the grade of inspectors?

**The Chairperson:** No, no I will not allow this question.

**Mr Obeegadoo:** If I may!

**The Chairperson:** Yes.

**Mr Obeegadoo:** The *Police de l'Environnement*, again I do not know whether it falls under Security Policy and Management. I seek guidance from the hon. Prime Minister. Is there a dedicated staff within the security policy attributed to the *Police de l'Environnement*, and if so, how many officers? I could not find it anywhere.

**The Prime Minister:** The answer to the question on the *Police de l'environnement* - with the national strategic policing, it was felt that this was not being effective. It was felt also that excuses were used to do other things. So, this was discarded. But I did talk to the Commissioner of Police. There was a question, I think a PQ, whether we should reintroduce it. I think it was hon. Bhagwan. So, we had a meeting on that about two weeks ago, I think, and I am told that he is reconsidering it, because some people say it was actually getting results. Then, there was a

question on the community safety and security. I am sorry this has already answered. The vacancies in the Police Force again, this year, there will be 11 new posts of Police Cadet Inspector, 79 additional posts of women Police Constable, 28 Trainee Band Constable and I mentioned it, we will be recruiting 800 Trainee Police Constables. So, all these vacancies will be filled.

**The Chairperson:** Yes, any further question on page 168. Pages 169, 170!

*Police Force - Programme Code 262: Community Safety and Security (Rs2,628,000) was, on question put, agreed to.*

*Programme Code 263: Defence, Emergency, Disaster Management and Surveillance was called.*

**Mr Bhagwan:** On page 164, *Programme Code 263 – Personal Emoluments*. Can I ask the hon. Prime Minister if it is not time now to have a Mauritian at the head of the National Coast Guard? For long, we have been having our good friends from India, but is it not time to have a Mauritian at the head of the National Coast Guard? Secondly, Sir, on item 31112042 – *Renovation of Helicopter Hangar*, can the hon. Prime Minister inform the House whether consideration is being given in the near future to have a helicopter to be posted in Rodrigues for *sauvetage*?

**Mr Jhugroo:** Under *item 31112025 (a) NCG Post at Agalega*, can the hon. Prime Minister confirm whether this post will be constructed between the North and the South Island for the security of the inhabitants of Agalega?

My second question is: what is the actual state of our two Dornier planes, and my third question concerns the acquisition of aircraft. According to the speech of the vice-Prime Minister, he mentioned about the purchase of another Dornier plane ...

*(Interruptions)*

**The Chairperson:** The hon. Member should put his question. It is a query that he is making; there is no statement to be made at the Committee of Supply.

**Mr Jhugroo:** My question is whether government is planning to acquire another Dornier plane.

**The Chairperson:** We are still on page 162.

**Mrs Labelle:** At page 162, under *item 22060004 - Maintenance of Vehicles and Motorcycles*, I see there is a decrease in the amount for maintenance from Rs16 m. to Rs12 m.,

and I am trying to reconcile this with the fact that we are going to have an additional number of vehicles. There will be acquisition of vehicles, but the cost of maintenance will decrease. Mr Chairperson, maybe we can be informed of the firms that now make the maintenance of vehicles for the Police Department.

**The Prime Minister:** First of all, there is a plan to have a helicopter in Rodrigues, but the infrastructure needs to be prepared and also we need qualified personnel.

With regard to the question on maintenance, provision is for the maintenance of buildings, other structures, plant and equipment. Vehicles and motorcycles are included in that and the cost of repairs also, as well as the maintenance of these vehicles and motorcycles. Again, as I was saying earlier, Mr Chairperson, this is a new procedure that we have introduced ourselves. There has been an over estimation. That is why the provision is now based on the trend of expenditure for 2011.

I think somebody asked me a question on Dornier. There are two Dornier planes, and one of them has had engine problems. It is not useable at the moment. It will be ready to be used in December of this year. There is a plan to purchase another aircraft; whether it should be a Dornier or not, I am not sure. I need to discuss with the Police because maybe it should not be a Dornier. As I said, we always tend to do the same thing; we do it over and over again. We have to look again whether it will have to be a Dornier.

*(Interruptions)*

This is the eventual plan to have a Mauritian at the head. But, as you know also, India gives us lots and lots of help. They have very competent people. We are hoping that eventually we will get a Mauritian at the head.

**Mr Baloomoody:** I would like to have some clarification from the hon. Prime Minister with regard to the police vehicles. We know that the garage for the maintenance of vehicles has been closed. Can we know which firm is doing it and how it is allocated? We know there are quite a lot of vehicles - new and old - that we are buying. What about the maintenance of these vehicles? Who is doing the servicing?

**The Prime Minister:** We saw lots and lots - as you know yourself - of wastage, theft, false invoicing and all those things. What we have said is to go back to the garage where we buy these vehicles - I hope they have followed this. For new vehicles, I suppose that is what is being

done. For the older ones, whether they are actually going back to the garage, I don't know. But you will find that it costs us less when they go to the main garage.

**Mr Jhugroo:** At page 165, regarding patrol vessels, can I know what happened to '*Le Vigilant*'?

**The Chairperson:** We are on page 164. The hon. Member is going too fast now; faster than me.

**Mr Barbier:** At page 164, Mr Chairperson, under *item* no. 22030 - *Rent*, again we see a very considerable increase from Rs690,000 to Rs2,745,000. Can we have some explanation, please?

**The Prime Minister:** First of all, let me answer the question on what happened to the famous '*Le Vigilant*'. It has been a white elephant from the very beginning. It should never have been bought. All the wrong procedures were followed, as you know yourself. It has been repaired a couple of times regularly. They have a shaft problem, and the company which was supposed to reclaim money on insurance for us if there were any problem has gone bust. So, there is no company to sue. You can see what kind of difficulties there are. And these are the people who are asking questions outside – I am not talking about you this time. We have tried to sell it. There were international advertisements for bidders and agents, and for the first time there was no bidder. It was readvertised; we took different people; there were two bidders interested. One of them has confirmed they want to buy it. There are some slight repairs apparently - I will have to check this - that we will have to do. It will be sold, and naturally it would not be at the price that we bought it. But it will definitely be sold, and we are expecting to sell it by the end of this year.

(*Interruptions*)

With regard to rent, provisions have been made for rental of buildings, rental office space for National Coast Guard Post at Grande Rivière South East at the rate of Rs35,000 per month and Poudre d'Or at the rate of Rs22,500 per month, rental of equipment from Mauritius Telecom in connection with the coming into operation of the coastal radar surveillance system.

**Mr Uteem:** At page 165, with regard to *item* 31121803 - *Acquisition of Patrol Vessels*, can I know from the hon. Prime Minister - there are a number of acquisitions (a), (b) and (c) - whether the tender procedures have already been launched for the acquisition of these vessels?

**The Prime Minister:** Concerning the Offshore Patrol Vessel, in my speech I said that it is not on a tender procedure. The Offshore Patrol Vessel is being bought on the line of credit that we have from India. It is being manufactured to our specifications from India. It is going to cost us USD58.5 m. if I am not mistaken, but we are going to use the line of credit for that. There is no tendering as such from this.

I think there are ten Fast Attack Interceptor Boats and Waterjet Fast Attack Boats. I am not quite sure about the procedure, because not everybody can provide this. But it is being done according to procedures, I have been told. If the hon. Member wants further details, I will ask.

**Mr Obeegadoo:** On the same page, same issue, there is an item Rs10 m. for upgrading of petrol vessels. Is this the repairs to 'Le Vigilant' before it is sold off? On the acquisition of petrol vessels: Rs450 m. being foreseen. I just want to ask the hon. Prime Minister about the range of operation of these vessels. Are we talking of the whole of our Exclusive Economic Zone (EEZ)? And can they go up to Agalega, for instance?

**The Prime Minister:** First of all, for the upgrading of the patrol vessels, two ramped logistic boats have been modernized in 2010 and provision is made for the modernization of the two remaining ramped logistic boats. As for the range of the vessels, the new offshore patrol vessel will cover the whole range of our Exclusive Economic Zone. I would think the offshore patrol vessel definitely will cover the whole lot. I have figures for the others, for example, the Guardian has a radius of 350 nautical miles that means it can go to St Brandon and to Rodrigues. There is one called Rescuer and it is a much smaller range. From what I see, this is the information I have, but I doubt whether it is interceptable boats, because by nature I do not think that they can go that far. But, definitely, the new offshore patrol vessel will.

**Mr Lesjongard:** On page 165 under *Item No. 31122815 – Acquisition of Coastal Radar Surveillance System*, can we know what will be the range that the system will be able to cover?

**Mr Baloomoody:** There is a new *Item No. 31113423 – Assault Course*, may we know what course it is as Rs1 m. is provided under this vote.

**The Prime Minister:** The Coastal Radar became operational in April 2011. It covers the installation of mainland Mauritius, Rodrigues, St Brendon and one in Agalega. It has been implemented in two phases; more or less it covers everything. Assault course, I believe, is a training ground.

**Mr Baloomoody:** Mr Chairperson, under *Item No. 143652 – Police Corporal*, we have been informed recently that some Corporals were asked to return their badges. So, do we still have Corporals in the Police Force and, if so, what type of Caporals are we talking about?

**The Prime Minister:** My understanding is that we still have Corporals in our system. There was this talk about returning the batches because it was done in a very unprofessional way when all this happened, just giving promotion to people in some cases but not all, as some deserved it and some not so. I know that the Commissioner of Police is trying to put order in this. You will remember I was mentioning the National Police Strategic Framework. I think they have looked at that and they might have made suggestions on this.

**Mr Obeegadoo:** On page 171, under Sub-Programme 26302: *Public Order Policing*. If this is the appropriate section, Mr Chair, can I ask about the so-called *Brigade pour la Protection des Mineurs*, whether there is a dedicated staff, what is its importance and with how many individuals?

**Mr Barbier:** In the Budget Speech, mention was made of 25 speed cameras to be bought. May we know under which vote Government is going to buy these speed cameras and the cost thereof for this budge? I cannot reconcile it, if the hon. Prime Minister can give me some clarifications.

**Mrs Hanoomanjee:** On page 171, under *Item No. 143652 - Police Corporal* and *Item No. 143652 – Woman Police Corporal* respectively. For Police Corporal there are 40 funded posts whereas for the Woman Police Corporal there is only one post. Can we know why?

**The Prime Minister:** First of all, for the speed cameras, it does not fall under this item, it falls under the public infrastructure and I am sure that you will see it there.

As for the *Brigade pour la Protection des Mineurs*, it was set up in May 2004 with a staff of five officers. The Unit was decentralised in 2007. Now the staffing is one Police Inspector, six Police Sergeants, one woman Police Corporal, six Police Constables and six Women Police Constables. They have one car and seven 4 X 4 attached to them. And they do all the programmes that I said they did.

*Police Force – Programme Code 263: Defence, Emergency, Disaster, Management and Surveillance (Rs2,145,430,000) was, on question put, agreed to.*

*Government Printing Department – Programme Code 271: Government Printing Services was called.*

**Mr Bhagwan:** I have only one question for the hon. Prime Minister regarding the Government Printing Office. Whether the Government Printing Office undertakes exclusively Government works with all Ministries and whether the Government Printing Office outsource works for the different Ministries?

**The Prime Minister:** They do outsource to different Ministries.

**Mr Bhagwan:** Whether the Government printing goes to outside printing services?

**The Prime Minister:** They did not use to in the beginning, but as to whether they do so now, I will have to check.

**Mr Balamoody:** May I refer the hon. Prime Minister to page 174? In fact, it looks like one of the main problems at the Government Printing is the machines. They are so old that they breakdown very often. I do not find any considerable provision for buying new equipment and machines. There is only Rs1 m. What approach are we taking with regard to that?

**Mr Uteem:** On page 177, in relation to *Item No. 22060 – Maintenance*. I note that in 2012 and 2013 there will be two significant expenditures of Rs5 m. and Rs10 m. respectively. May I know from the hon. Prime Minister to which maintenance and building are we talking about here?

**The Prime Minister:** One thing I know is that in the past the Government Printing had bought equipment. Believe it or not, it is not the first time this is happening: sophisticated equipment which are absolutely useless within a few days and they cannot use it. I am told now that certain jobs are outsourced, for example, what they call ‘gutted cards’ - I do not know what it means. They will have to print next time because I don’t know what “gutted cards” mean.

*(Interruptions)*

That is the situation. So, now I believe there has been some criticism about the machines. Even the members of the staff have complained that people at the top are buying machines; they are just doing things absolutely - this is the whole problem. This is a complicated country. I always say if everybody did the work they are paid to do with conscience, half of these problems we would not have, but they are not and then they expect to go to heaven.

**Mr Uteem:** Mr Chairperson, I find that there is an increase for maintenance of buildings from Rs5 m. next year to Rs10 m. for the following year. May I know to which buildings that relates to and why is there such an important amount of expenditure?

**The Prime Minister:** Is the hon. Member talking about the Government Printing? Which page?

**Mr Uteem:** Page 177!

**The Prime Minister:** There is a programme, and from what I see here, there are urgent repairs needed for the structure of the building. It is apparently due to heavy deterioration of structure in some places and, therefore, they have to make a provision because it is structural repairs that need to be done.

*Programme Code 271: Government Printing Services (Rs114,902,000) was, on question put, agreed to.*

*Programme Code 281: Meteorological Services (Rs126,472,000) was called and agreed to.*

*Programme Code 291: Management of Prisons was called.*

**Mr Baloomoody:** So, how do we proceed on the page?

**The Chairperson:** We are at page 291.

**Mr Baloomoody:** Management of Prisons. One of the main problems actually at the prisons is the number of Health Officers, Nurses. So, can the hon. Prime Minister tell us how many Health Officers are there actually, especially now that there is an increase in the HIV/AIDS patients and there is a request for more nurses? What action is being taken to increase the number of nurses in the prisons?

**Mr Obeegadoo:** I'm lost, Mr Chairperson. We are looking at Programme Code 291 on page...

**The Chairperson:** On page 189 and the details are to be found on page 192. Any questions! No question!

*Programme Code 291: Management of Prisons (Rs52,446,000) was called and agreed to.*

*Programme Code 292: Custody and Rehabilitation of Detainees was called.*

**Mr Obeegadoo:** I refer to page 191; these are the indicators for the programme, custody and rehabilitation of detainees. I would like to make a suggestion to the hon. Prime Minister, if I may, whether he will consider specifically having as objectives the percentage of former detainees not lapsing again into crimes. This was hotly debated recently.

Secondly, for drug addicts that we could have as the indicators here, an indicator pertaining to drug addicts that can wean off drugs completely. These are obvious indicators, which do not appear there. I would like to make a suggestion.

Now, third suggestion is on page 191. The hon. Prime Minister will note that there is medical screening of detainees upon admission, but not upon release. Again, there should be checking before and after, this is a suggestion which I would like to make to the hon. Prime Minister.

That would take us to page 196, the staffing. On page 196, it seems that there is a position of Principal Medical and Health Officer. Am I right that this position is vacant? It is not quite clear, right at the top of page 196. It is mentioned new in brackets. Is this a new position being created, and, if so, why is it not being filled for 2012?

**Mr Bodha:** On page 193, at the bottom, under *item 31122805, Purchase of Security Equipment*, may I ask the hon. Prime Minister whether it is envisaged to purchase equipment for the jamming of mobile telephones within the prison?

**Mr François:** On page 193, under *item 31112411, Upgrading of Prisons, part (c) Other Prisons*, there is a provision of Rs2 m. for 2012. Will the hon. Prime Minister tell us whether money will be spared from this item, to top up the provision of the Rs500,000 budgeted by the Rodrigues Regional Assembly for the extension of the overcrowded Pointe La Gueule Prison in Rodrigues?

**Mrs Hanoomanjee:** At page 193, item 22130, *Study and Survey*, an amount of Rs2 m. has been earmarked. Can we know for which specific study or survey it should be carried out?

**Mrs Ribot:** Mr Chairperson, on page 196, *item 175171*, we see that there is no psychologist attached to the prison service, whereas it had been identified as one major constraint that there was a large number of HIV detainees in prisons and one way they have suggested to address the issue was to appoint psychologists for counselling and there is no psychologist on the staff list.

**The Prime Minister:** Let me answer some of the questions, Mr Chairperson. First of all, there was a question which I escaped to answer. It concerns the number of nursing officers in prisons. There are 29 in post and there are 14 vacancies at the moment. The Principal Medical and Health Officer at the moment is being provided by the Ministry of Health.

I am not so sure, my impression was that they also check the prisoners when they are leaving, but I see somebody is saying that they are not checking. So, I will have to look into this.

Provisions have been made for the recruitment of a psychologist in this Budget; two psychologists are employed on contract on a part-time basis and some of these are getting help from the Clinton Initiative. This is under the global fund. Two part-time being paid by the Global Fund; one is being recruited this year. There was a question about the *Upgrading of Prison*. In fact, at the moment, this amount is meant for infrastructural work which is being done in Beau Bassin at Tower and Gate Lodge, upgrading of quarters and mainly for the construction of the Gate Lodge. Provision is also for security fencing and the upgrading of the animal farm that is there. As for the study and survey, this is on piracy. There was a question about the jamming system. We are looking at this again. We have the jamming system, but it is unfortunately jamming the telephones of people who are not in the prison, but living outside. They are trying to correct this.

**Mr Uteem:** I am referring to page 193, *item no.31112011 Construction of Prisons*. Concerning the new prison at Melrose, may I know from the hon. Prime Minister when is the construction of the prison at Melrose expected to be completed and what is the total cost of the construction?

**The Prime Minister:** As you know yourself, Mr Chairperson, in my speech I mentioned the date, how it was done, there was a Parliamentary Question. I just can't understand why the hon. Member is asking the same question, losing the time of everybody.

**Mr Baloomoody:** This one was not in the speech of the hon. Prime Minister. I did ask a question about the Medical Officers at the prison. This is one of the main concerns. The hon. Prime Minister missed the answer. I refer the hon. Prime Minister to page 197. We found that there is no Prison Pharmacist and I remember that I raised that issue again, that unqualified persons are dispensing medicine at the prison and there is no prison dental assistant as well. Other provisions have been made to fill these posts.

**The Prime Minister:** I have not got any indication here about non qualified person giving medicine. I will have to look at this. I have no indication about it. I can't see how they can dispense medicine without a proper pharmacist, but I will have to look into it. Also I think that there was another question that I did not answer. It concerns the security equipment and I

was talking about the jamming system. There is, what they call, the 'boss chair' involved in that.

**Mr Obeegadoo:** Do we understand from the information on pages 196 and 197 that there is no qualified medical doctor, dentist or pharmacist that is dealing with the inmate population and secondly, concerning the staff on pages 196 and 197, is there anybody to do the follow-up after the release of prisoners?

**The Prime Minister:** In fact, I have the complete information and there is a medical team which includes the three full-time medical officers, one part-time Medical Officer and one Dental Surgeon.

*Mauritius Prisons Service – Programme Code 292: Custody and Rehabilitation of Detainees (Rs1,272,796,000) was, on question put, agreed to.*

**The Vice-Prime Minister, Minister of Finance and Economic Development (Mr X. L. Duval):** Sir, I beg to move that you do report progress and ask leave to sit again.

*Question put and agreed to.*

*On the Assembly resuming with Mr Speaker in the Chair, Mr Speaker reported accordingly.*

#### **ADJOURNMENT**

**The Prime Minister:** Mr Speaker, Sir, I beg to move that this Assembly do now adjourn to Tuesday 22 November 2011, at 11.00 a.m.

**The Deputy Prime Minister rose and seconded.**

**Mr Speaker:** The House stands adjourned.

*At 4.05 a.m. the Assembly was, on its rising, adjourned to Tuesday 22 November 2011, at 11.00 a.m.*

