

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Tuesday, 9<sup>th</sup> May, 2017

The House met at 2.30 p.m.

*[The Speaker (Hon. Muturi) in the Chair]*

### PRAYERS

### COMMUNICATION FROM THE CHAIR

#### DELEGATIONS FROM ZAMBIA AND UGANDA PARLIAMENTS

**Hon. Speaker:** Hon. Members, as I welcome you back for what is certainly the very last lap of the last leg of the 11<sup>th</sup> Parliament, I wish to introduce to you a delegation of Members of the Committee on Government Assurances from the National Assembly of the Republic of Zambia. The delegation is seated in the Speaker's Row and comprises of the following:

- |                                     |   |                               |
|-------------------------------------|---|-------------------------------|
| (i) Hon. Remember Chanda Mutale, MP | – | Leader of the Delegation;     |
| (ii) Hon. Darius Mulunda, MP        | – | Member;                       |
| (iii) Hon. Leonard K. Fungulwe, MP  | – | Member;                       |
| (iv) Hon. Eliot Kamondo, MP         | – | Member;                       |
| (v) Hon. Whitson Banda, MP          | – | Member;                       |
| (vi) Hon. Olipa Mwansa Phiri, MP    | – | Member;                       |
| (v) Hon. Stephen Miti, MP           | – | Member;                       |
| (vi) Hon. Mundia Ndalamei, MP       | – | Member;                       |
| (vii) Mr. Solo Kalobwe              | – | Office of the Vice President; |
| (viii) Mr. Nabulyato Francis        | – | Senior Committee Clerk; and,  |
| (ix) Mr. Darius Kunda               | – | Delegation Secretary.         |

I also wish to introduce to you a delegation of Members of the Committee on Rules, Privileges and Discipline from the Parliament of Uganda, who are also seated in the Speaker's Row. The delegation comprises of the following:

- |                                    |   |                                     |
|------------------------------------|---|-------------------------------------|
| (i) Hon. Agaba Abass Mugisha, MP   | – | Leader of Delegation;               |
| (ii) Hon. Oboth Oboth Marksons, MP | – | Member;                             |
| (iii) Hon. Mwagaba Wilfred, MP     | – | Member;                             |
| (iv) Mr. Wabwire Paul              | – | Deputy Clerk;                       |
| (v) Ms. Akongo Eunice Odong Kara   | – | Clerk Assistant;                    |
| (vi) Ms. Dinah Muhangi             | – | Principal Administrative Assistant; |
| (vii) Ms. Noreen Nabutono          | – | Administrative Assistant            |
| (viii) Ms. Brandy Namuli           | – | Administrative Assistant.           |

Hon. Members, the two delegations are in the country to exchange ideas and share experiences with their counterparts from the Kenyan Parliament in the Committee on Implementation and the Procedure and House Rules Committees, respectively. On my own

behalf and that of the entire House, I wish to welcome them to the National Assembly, and wish them fruitful deliberations during their stay in the country.

I thank you.

*(Loud consultations)*

**Hon. Speaker:** Order, Members! Order, Member for Juja.

## MESSAGES

### APPROVAL OF REVISED PROCEDURE AND RULES FOR ELECTION OF MEMBERS TO EALA

Hon. Members, pursuant to the provisions of Standing Order No.41, I wish to convey to the House a Message received from the Senate on Friday, 21<sup>st</sup> April 2017 regarding the Senate's approval of the Revised Procedure and Rules for Election of Members to the East African Legislative Assembly (EALA). The Message states in part:

“On Thursday, 6<sup>th</sup> April 2017, the Senate adopted the Report of the Select Committee on the Review of the Procedure and Rules for the Election of Members to the EALA and approved the revised procedure and rules thereof”

Hon. Members, you may recall that on Thursday, 6<sup>th</sup> April 2017, the National Assembly also approved the said procedure and rules in the same form as approved by the Senate. I am reliably informed that pursuant to the said rules, the Clerks of the two Houses of Parliament placed advertisements inviting applications from interested candidates. The names and the accompanying documents of applicants who applied through the Political Parties by the close of the prescribed period ending Thursday, 4<sup>th</sup> May 2017 have been submitted to the Leaders of the Majority Parties and Leaders of the Minority Parties of both Houses, and availed to my office and that of the Speaker of the Senate.

Hon. Members, considering the strict timelines within which the election process ought to be finalised, I urge the Leader of the Majority Party and the Leader of the Minority Party in the National Assembly to liaise with their Senate counterparts with a view to timeously submit the names of their nominees to the presiding officers, who are the Clerks of the two Houses of Parliament. For clarity, Thursday, 11<sup>th</sup> May 2017 has been appointed as the nomination day, on which party leaders will submit the nomination papers of their candidates. Further, persons desirous of seeking election to the EALA as independent candidates will also be submitting their nomination papers on the same day. This exercise will take place in County Hall, Mini Chamber, from 8.30 a.m. to 4.00 p.m. Subsequently, the Joint Committee will consider the nominees and table a report thereto in both Houses of Parliament. Thereafter, the presiding officers will appoint and gazette the day and venue for holding of the elections, being not more than 14 days after the nomination day.

I thank you.

## PAPERS LAID

**Hon. A.B. Duale:** Hon. Speaker, I beg to lay the following Papers on the Table of the House:

The Insurance (Investments Management) Guidelines, 2017 and the Explanatory Memorandum.

The Agreement between the Government of the Republic of Kenya and the Government of South Africa on Defence Co-operation and the Explanatory Memorandum.

Sessional Paper No.7 of 2016 on the Mining and Minerals Policy from the Ministry of Mining.

The Reports of the Auditor-General on the Financial Statements in respect of the following institutions for the year ended 30<sup>th</sup> June 2016, and the certificates therein:-

- (i) Kirinyaga University College;
- (ii) Brand Kenya Board;
- (iii) Kenya Civil Aviation Authority;
- (iv) Local Authorities Provident Fund;
- (v) Ministry of Land, Housing and Urban Development, Stores and Services Fund;
- (vi) State Officer Housing Mortgage Scheme Fund;
- (v) Ministry of Land, Housing and Urban Development, Revenue Statement;
- (vi) Contingencies Fund;
- (vii) Kenya National Commission for UNESCO;
- (viii) Women Enterprise Fund;
- (ix) National Youth Service Mechanical and Transport Fund;
- (x) South Nyanza Sugar Company Limited;
- (xi) Media Council of Kenya;
- (xii) National Commission for Science, Technology and Innovation;
- (xiii) Kenya Literature Bureau;
- (ix) Embu University College; and,
- (x) Export Promotion Council.

**Hon. Speaker:** Chair of Public Investments Committee (PIC).

**Hon. Keynan:** Hon. Speaker, I beg to lay the following Paper on the Table of the House:

The Special Report of the Committee on the Tour of the Kenya Pipeline Company Line 1 (Capacity Enhancement) Project from Mombasa to Nairobi Pipeline undertaken between 2<sup>nd</sup> and 3<sup>rd</sup> February 2017.

Thank you, Hon. Speaker.

## NOTICE OF MOTION

ADOPTION OF PIC SPECIAL REPORT ON TOUR  
OF KENYA PIPELINE COMPANY

**Hon. Keynan:** Hon. Speaker, I beg to give notice of the following Motion:

THAT, this House adopts the Special Report on the Committee's tour of the Kenya Pipeline Company Line 1 (Capacity Enhancement) Project from Mombasa to Nairobi Pipeline undertaken between 2<sup>nd</sup> and 3<sup>rd</sup> February 2017.

Thank you, Hon. Speaker.

**Hon. Speaker:** Next Order! Member for Nakuru Town West, please consult with the Member for Kitutu Chache South in low tones. Hon. Arama, Hon. Onyonka and Hon. Bosire, I can see that there is an element of excitement among the four of you there. But just as you enjoy the news about what may be exciting you, please, do it in low tones. Obviously, I have not seen Hon. Geni appear excited. Maybe---

*(Laughter)*

Hon. Mutava Musyimi, Chairman of the Budget and Appropriations Committee!

**Hon. Musyimi:** Much obliged, Hon. Speaker.

## STATEMENT

### STATUS REPORT OF MEDIATION COMMITTEE ON DIVISION OF REVENUE BILL, 2017

This is a Statement from the Chairman of the Budget and Appropriations Committee of the National Assembly on mediation talks on the Division of Revenue Bill, 2017.

Hon. Speaker, as you are aware, the Mediation Committee on Division of Revenue Bill, 2017 was constituted by the Speakers of the two Houses of Parliament on 30<sup>th</sup> March 2017, pursuant to Article 112 and 113 of the Constitution, Standing Order No. 149 of the National Assembly and Standing Order No. 154 of the Senate Standing Orders which outline the functions of the Committee. I wish to now request that you allow me to report to this Honourable House the progress achieved so far by the Committee.

The Committee held a total of three sittings to deliberate on the Division of Revenue Bill, 2017. During the first sitting which was held on 5<sup>th</sup> April 2017, the Committee conducted elections of the Chairperson and Vice Chairperson. I was elected the Chairperson while Sen. (Dr.) Agnes Zani was elected the Vice Chairperson.

The Committee also held a lengthy discussion on the relationship between the passage of the Appropriation Bill, 2017 before the enactment of the Division of Revenue Bill, 2017. It was agreed that further consultations will be held on the matter.

In our second sitting the following day, 6<sup>th</sup> April 2017, members of the Committee were informed that the processing of the Appropriation Bill, 2017 by the National Assembly would proceed as scheduled. The Senate membership sought leave to consult their leadership on the way forward. After lengthy deliberations, the sitting was adjourned.

The third sitting was short. I recall it was the following day, 7<sup>th</sup> April 2017. The Committee did not really do much because the Senate chose not to be present. So, we really did not have a quorum.

I would like to reiterate that this National Assembly that you lead supports devolution. It is in this regard that members of the Mediation Committee were committed to processing the Division of Revenue Bill, 2017 within the stipulated time. In processing this Bill at the National Assembly, we were guided by the provisions of Article 201 of the Constitution, especially as it relates to the fiscal responsibility principle. The law expects us not to put, but to help bear the burden on future generations by allowing a huge fiscal deficit. Hence, the resolutions of this Honourable House with respect to the Budget Policy Statement 2017, which in turn formed the basis of Division of Revenue Bill that was introduced to this House.

I am informed that the Senate passed the Budget Policy Statement. They also considered this principle of fiscal responsibility. We see that it is necessary that both the National Government and county governments be careful with their appetites with respect to the resources of the next financial year.

The required time for mediation has lapsed, as per Standing Order No. 149. On behalf of the Mediation Committee, I would like to, first of all thank, you for appointing us and to also request that this House takes note of the progress we have made or lack, thereof, and request that you be so kind as to give us further guidance on this matter.

I thank you, Hon. Speaker.

**Hon. Speaker:** I see an intervention from the Member for South Imenti. What is it?

**Hon. Murungi:** Thank you, Hon. Speaker. When the Chairman of the Budget and Appropriations Committee stood up, I thought he was going to update this House on whether he has received a report from the Cabinet Secretary (CS) of the National Treasury concerning the proposal by the President to bring down the price of *unga*. Our people are really suffering. I would like the Chairman to tell this House when he is tabling a report or something that will start or jumpstart the process of reducing the price of *unga*, the price of *mafuta*, the price of *mkate* and the price of *maziwa*. It is because our people are suffering.

Yesterday, a group of people from my constituency came to my house in the morning. They told me: "Hon. Kathuri, please go to Parliament tomorrow. The assignment we have given you is nothing else but to make sure you articulate the issues that are affecting *Wanjiku*."

Therefore, I am standing just in support of my people of South Imenti Constituency to tell you that we really need to expedite that issue so that Kenyans can really enjoy the life that we have been enjoying for many years. I think Hon. Members support me on this.

**Hon. Speaker:** Hon. Member for Imenti South, now I will---

**Hon. Murungi:** Thank you, Hon. Speaker. I thank you for that opportunity.

*(Laughter)*

**Hon. Speaker:** You know you are obviously out of order. The matter that the Chairman of the Budget and Appropriations Committee has been dealing with is one which is governed by the provisions of the Constitution; specifically Article 113. I told some of you that you are on the last lap of the last leg. If you do not know what governs this, you must be in the wrong place. Hon. Members, the matter that the Chairman of the Budget and Appropriations Committee has raised is a very serious matter; very grave. It is a matter--- If this House could walk down memory lane, you will recall that it has been raised in the past – as to whether or not it is conceivable that a Division of Revenue Bill can be defeated. It is because of what it portends to the counties. Indeed, it is for that reason that the Chairman, in his Statement, alluded to the fact that they were guided by the provisions of Article 201 of the Constitution at all times. But, being a Mediation Committee, they are governed by that Article 113. They have a maximum of 30 days within which to come up with an agreed version of a Bill. They have not been able to do that.

Therefore, Article 114(4) comes into play that when a Mediation Committee is unable to agree on a mediated version of a Bill within 30 days, the Bill is defeated. But then, the question is - and I think that is why Hon. Mutava Musyimi has raised the issue for guidance - where then do we go from here? It is because counties prepare their budgets and budget estimates based on the Division of Revenue Act, duly passed, and the County Allocation of Revenue law. Now, the

County Allocation of Revenue Bill cannot be passed without an agreement about the Division of Revenue Bill.

As you know - and we have raised this matter on a number of occasions - the Division of Revenue Bill divides revenue vertically; between the two levels of Government. You, as the National Assembly, have already passed the Appropriation Bill. But, the counties have not. Hon. Mutava Musyimi is raising the issue as to where do we go from here. I can see some few Members who have indicated interventions. Is it about this or the other?

**Hon. (Ms.) Nyasuna:** *Off-record.*

**Hon. Speaker:** You can go and canvass on that out there.

Hon. Members, since I do not see anybody who has anything to proffer on this - on the Division of Revenue Bill and not about those other issues--- You can move Motions to discuss those ones. You know how it is done. You have come back only after a month. You cannot have forgotten these procedures just because of the activities of the last few days, however intense they may have been. Of course, the Member for Homa Bay County is comfortable. I can see she is very comfortable. She has not been very busy.

Hon. Members, I wish to guide as follows:

The Bill, having been defeated and having been in the name of the Chairman of the Budget and Appropriations Committee, what is open to him and the Committee is to publish that Bill afresh. Other processes that the House may engage in, including waiver of certain timelines regarding the processing of any Bill, can only be decided when the Bill is published. It is because the Bill is not there as of now and yet, it is so grave that the counties have no basis for preparing their budgets; unless they go by this current year's financial estimates.

Since there was an increment - and that appears to have been the bone of contention as to the quantity or the quantum, I would advise that the Committee considers publishing the Bill afresh and then takes it through the normal processes. Indeed, we cannot also allow a situation in which the counties or the county governments are not able to run after 1<sup>st</sup> July 2017. We are lucky that the next year's Budget was processed earlier because of the forthcoming general elections. That is the only saving grace. I think there is some time still, Hon. Mutava Musyimi. Your Committee could consider publishing a fresh Division of Revenue Bill. Maybe, you can do the consultation as much as you may wish to. I do not know who it is that you will consult but I think the ball should be back in your court to consider publishing a Division of Revenue Bill afresh.

Hon. Musyimi!

**Hon. Musyimi:** Much obliged, Hon. Speaker. I have called a meeting of the Budget and Appropriations Committee on Thursday. We shall discuss this matter and do the needful. It is a matter of urgency.

I thank you, Hon. Speaker.

**Hon. Speaker:** Very well. Let us see what the Whip of the Minority Party has. Do you want to say something on this?

**Hon. Mwadeghu:** Nimesikia maamuzi, muongozo na mwelekeo wako kwa Mwenyekiti wa Kamati ya Makadirio, Mhe. Spika. Naomba nichukue nafasi hii nitoe masikitiko yangu kwa Kamati ya Pamoja ya Mabunge yote mawili iliyoshindwa kuafikiana kuhusu Mswada huu. Inamaanisha kaunti zetu zitaanza makadirio yao zikiwa zimechelwa, hapo mwakani mwezi wa saba kama hatutakuwa waangalifu.

Mhe. Spika, ni muhimu makadirio haya yafike mapema. Naomba nihimize Mwenyekiti wa Kamati ya Makadirio ahakikishe kuwa wamemaliza haya umeyaagiza wayamalize. Nina

imani hatutakuwa na changamoto yoyote hapa Bungeni na Seneti pia haitakuwa na shida ili makadirio haya yafike mapema. Kama ujuavyo, wengine wetu tuko katika harakati ya kukunja jamvi kufuatana na haya makadirio huko mbele.

*(Laughter)*

Yakichelewa, inamaanisha wengine wetu hatutaweza kufanya kazi. Kwa hivyo, ni muhimu na ni muhimu. Nasisitiza kuwa makadirio haya yamaliziwe mapema ili tuweze kufanya kazi kwa muda unaofaa.

Naomba nihakikishie Bunge hili kuwa wale ambao tuko hapa na tunatarajia kwenda huko kwingine, hatutaaibisha hili Bunge. Hatutaaibisha hili Bunge kwa kuwa Magavana wa kuiba ama wakuletwa hapa kwa Seneti. Tunaenda huko kutumikia wananchi. Naliheshimu hili Bunge na nitaendelea kuliheshimu Bunge la Kumi na Moja. Mmenifunza mengi. Sitawaaibisha.

*(Applause)*

Mhe. Spika, naomba nitoe mchango wangu kuwa hiyo ndio ilani ninayotoa.

Asante, Mhe. Spika.

**Hon. Speaker:** I believe the Chairman of the Committee and Members have heard the Minority Whip loud and clear.

Does the Deputy Minority want to say something on the same? Is it the same? Is it about this or about those other extraneous matters?

**Hon. Wakhungu:** Thank you, Hon. Speaker. I just wanted to comment on this important issue of the Division of Revenue Bill so that, as we will be moving forward, I know we are supposed to look into the issues of rules and procedures – that is the Standing Orders. This is where we have a lacuna. We will be able to know how to provide for them. My friend here, Wesley, is mentioning that we are likely to have majority of independent candidates in the next Parliament. We must also look into this issue of how we are going to treat those independent Members in the Standing Orders. He is very concerned. As you can see, we have adopted him in this side after he lost nomination on the other side, Hon. Speaker. Thank you.

*(Laughter)*

**Hon. Speaker:** You remember the story of the baby Oryx! It is okay to adopt. Hon. Ng'eno, do you want to comment on the Division of Revenue Bill?

**Hon. Kipyegon:** Thank you, Hon. Speaker. I remember when we were making contribution on this particular Bill, our major complaint was the reason why Senators opt to do increments instead of dealing with matters that are provided for in the Constitution. I do not know how we are going to deal with this thing. These delays might bring hitches in expenditure in the counties. We want counties to clear whatever they are doing - like what my brother has said - so that we have new governors in place who will come and actually save those counties.

Other than the two Houses meeting, it is high time you and the Speaker of the Senate had a serious meeting so that you can discuss these issues, so that we do not clash in matters which we know constitutionally. Like you have said, the National Assembly is supposed to divide the money vertically and the Senate is supposed to divide the money horizontally. Those are issues which are very clear in the Constitution. Sometimes, you wonder why people have to bring back

Bills and take them for mediation. We are praying that we come back here. We wish that by that time, you would have had enough communication with the Senate Speaker so that we can have harmonious undertakings.

I also wish to welcome back Members, especially those who survived the National Super Alliance (NASA) and Jubilee massacres. Most of these Members went through what I cannot believe. I remember that it was on this very same place where I am standing today that I made a serious proposal to allow Members to party-hop. Among the people who almost killed me here was one Chairman, Hon. Chepkong'a, who was actually crashed until he had to seek refuge in courts so that he can come back. We should not be spending millions of money in courts. Look at my brother, Wesley. He was cheated to join Jubilee and then he was roasted inside there. He had to rush again back to where he was. For someone like me, Hon. Duale tried to cajole me to come to Jubilee. I told him that I knew Jubilee and that they would massacre me. So, I told him I did not want to go there. I remained where I am. I saw people crying, I saw Njagua crying.

**Hon. Speaker:** Hon. Ng'eno, that is not about division of revenue.

**Hon. Kipyegon:** It is not, by the way. But, Hon. Speaker, thank you for your guidance. I only wish this House can make rules which can move this country forward and allow Members to do the right things.

**Hon. Speaker:** Before I allow the next speaker, Hon. Members, let me just caution that even as you make references to what may have befallen some of your colleagues, do it with compassion. It is not very good for people to be told to their faces that they are going to be massacred or that they have been massacred. Please, have some bit of compassion even as you make references to what may have befallen some of your colleagues. They are still your colleagues for the next one month or even much longer.

Hon. Member, let me also recognise the presence of students who are drawn from secondary schools across the country and attached to State House. They are welcome to observe the proceedings in the National Assembly.

On Division of Revenue Bill, Hon. Wanga.

**Hon. (Ms.) Nyasuna:** Thank you, Hon. Speaker. This matter of the Division of Revenue Bill has been a very problematic matter from the beginning of this Parliament. At the very beginning, we set out to set the record straight about vertical and horizontal division. Happenings in court have returned us to where we are today. But as we move to the next Parliament, because of the importance of this Bill, it will be incumbent upon us to ensure that we find a solution so that we do not reach the point we are currently; where our counties may grind to a halt. So, as we review our Standing Orders, we must look at the laws and see where we can make amendments so that even if the Senate will be involved in matters of division of revenue, the buck has to stop somewhere, where it will be said that it will be final in the event that we do not agree. Sometimes, we have agreed under duress but, many times, we do not. Those are the points I wanted to raise as far as the Division of Revenue Bill is concerned.

Hon. Speaker, I had also made a request to the Table Office to have a Motion for Adjournment to discuss the matter of the cost of living because it is very pressing.

**Hon. Speaker:** It has not reached me.

**Hon. (Ms.) Nyasuna:** Hon. Speaker, then there must have been a pothole on the route to your office. I took it to the Table Office and made the request to have the Motion for Adjournment. If you could indulge me, that will be a very important matter.

**Hon. Speaker:** There is no way I will indulge you without following the procedure. You know very well that I act immediately on Members' Motions. Pothole!



(Laughter)

No! That does not happen.

**Hon. (Ms.) Nyasuna:** It is sinking in the pothole on the way to your office, Hon. Speaker. The matter of cost of living is very pressing.

**Hon. Speaker:** We will discuss it when you bring the Motion. Otherwise, we cannot begin introducing Motions through the backdoor, honestly.

Hon. Nyikal.

**Hon. (Dr.) Nyikal:** Thank you, Hon. Speaker for giving me the opportunity to comment on the Division of Revenue Bill. I have said it before that the problem we are dealing with is a structural one. It started at the time we were going through the budget process at the Budget Policy Statement. When we go to the Budget Policy Statement, there is adequate information that Parliament has in terms of the requirements at the national level. At that time, there is no information at all on what the requirement at the county level will be because of the Constitution as we have it now. Although there is some interaction at the Intergovernmental Budget and Economic Council (IBEC) which would then come to Parliament so that, at times, there is some input which should be available to the Senate, we may have to look at the Constitution to see if we could have early consultations during the budget process that could make it possible for us to know the requirements from both sides.

Unless we do that, we are likely to get into this kind of a problem again and again. I want to make an appeal that we go through the process and fast-track everything through the House Business Committee (HBC) and all other procedures. We should look at the process so that we put in place early consultation mechanisms before we get to this stage.

**Hon. Speaker:** Well spoken. Perfect. I could not agree with you more. It is, indeed, a challenge. There should be a mechanism by which, in the event--- If we go by the advice that even the Division of Revenue Bill should be subjected to the vagaries of mediation, then there must be a provision of allowing county governments to access certain funds in the event that there are disagreements between the two Houses. A good example is the current situation whereby the Division of Revenue Bill has collapsed. There must be a mechanism of ensuring that county governments are not, through no fault of their own, made to grind to a halt in terms of operations. This is one of the things that I think your Committee, Hon. Nyikal, should look at even as you come up with a new Bill. I believe your Committee could think along those lines. What should happen should it fail? The Supreme Court, which purported to advise, completely ignored that point about the possibility of any Bill that is subjected to mediation being defeated either by the Mediation Committee failing to agree or agreeing and even the agreed version not being approved by either of the Houses because the net result again would be the same; failure!

In that kind of eventuality, what should happen to counties with regard to their budgeting? It is an untenable situation that the national Government, the Parliamentary Service Commission, the Judiciary and all other constitutional commissions continue to operate because the Appropriation Bill has been passed and yet, the counties are not able to function. We cannot have that kind of situation obtaining. We must think outside the box and come up with proposals about how to arrest such an eventuality. It has happened now and it is likely to happen again. So, we must have some fall-back position.

Next Order!

**BILLS***First Readings*

## THE PARLIAMENTARY SERVICE BILL

## THE WILDLIFE CONSERVATION AND MANAGEMENT (AMENDMENT) BILL

*(Orders for First Readings read –Read the First time and ordered to be referred to the relevant Departmental Committees)*

*Second Reading*

## THE FINANCE BILL

**Hon. A.B. Duale:** Hon. Speaker, I beg to move that the Finance Bill (National Assembly Bill No. 16 of 2017), be now read a Second Time.

I am doing this on behalf of the Chairman of the Departmental Committee on Finance, Planning and Trade, Hon. Benjamin Langat. He is in Mombasa together with his colleagues. They are meeting the Cabinet Secretary (CS) for National Treasury to look at this Bill and other financial-related Bills.

First, I wish to express my gratitude to Members for their relentless support to this year's budgetary process which has come earlier than usual. In terms of executing policies developed in the course of the budget process, Parliament has played a serious role. Our country achieved a resilient economic growth and development that has seen the *per capita* income rise from the estimated Kshs113,210 in 2013 to Kshs152,671 thus making us a low-middle income economy.

Hon. Speaker, before I talk about the challenges our economy has faced, it is good to note that our economy grew by 5.9 per cent, 6.2 per cent and 5.7 per cent in the last first, second and third quarters of 2016, respectively, thus bringing the average growth in the first three quarters to 5.9 per cent. We hope the projections in 2017 will expand and further grow by another 5.9 per cent. In spite of all these economic accomplishments that we have been able to achieve as a country for the past few years, our economy still faces many challenges ranging from inadequate food supply, unemployment, poverty, income inequality and, of course, the severe drought that has caused the prices of food commodities to soar. I know a greater part of the country has received rains, but I am sure it will take farmers not less than eight months to plant, harvest and bring enough food to the market.

In order to address some of these challenges, this Bill proposes measures on taxation and other amendments which are found in the Finance Bill. I expect the CS for National Treasury to use this Bill in order to control the high cost of living. This must be translated to the common man. We expect the CS, as he meets the Committee today, to propose amendments, especially a reduction in the taxation measures so that the cost of living and the price of food can come down. We also expect the CS for National Treasury to present to the Budget and Appropriations Committee, the Supplementary Budget Estimates II where he will be asking this House to provide him with resources and re-allocate a number of resources from non-core areas to the emergency that we are facing today. For instance, he could provide resources to subsidize the sectors that manufacture food items. That way, the cost of living will be reduced. What I am

proposing can be done in this Supplementary Estimates and the Finance Bill. Those measures are meant to achieve an inclusive economic growth, enhance job creation, cushion Kenyans against the effects of drought and a high cost of living and, above all, foster growth and stability in our financial sector.

Hon. Speaker, I hope that Members of Parliament have taken time to read this Bill. I, therefore, would like to highlight a few of the proposals that are contained in this Bill. Despite our country attaining the low-income status following sustained economic growth, she is still faced with the problem of poverty and income inequality characterized by huge disparities between the low and the high-income earners.

That gap is growing wider. In order to reduce that disparity between low and high income earners and move towards income equality, this Bill proposes to increase the Pay-as-you-Earn (PAYE), pension tax bands and the personal relief by 10 per cent. Following the Government crackdown on illicit spirits in the year 2015, the number of manufacturers in the industry has greatly reduced, leaving a supply gap that was quickly filled by cheap imports and consequently the prices of spirits have come down making these products available to abuse by young Kenyans. In order to protect the young generation of this country, this Bill proposes to increase excise duty on alcoholic spirits from the current rate of Kshs175 per litre to Kshs200 per litre. I am not a consumer of those spirits, but I am sure the spirit, the letter and the objective of the Cabinet Secretary is to save young Kenyans who abuse those substances.

The Excise Duty 2015 introduced a specific rate on cigarettes of Kshs2500 per mil with the aim of achieving simplicity in the tax administration and revenue collection in as far as that sector is concerned. However, this single-tier system was unfair to companies that deal with the low value cigarettes hence constantly hurting our revenue collection. In order to bring fairness in the cigarette manufacturing sector and also boost the Exchequer revenue, this Bill proposes to introduce a two-tier tax system with the Excise Tax on cigarettes with filter at the rate of Kshs2,500 per mil and cigarettes without filter at excise duty rate of Kshs 1,800 per mil. That was the bone of contention in the 10<sup>th</sup> Parliament, 11<sup>th</sup> Parliament and every year when we are dealing with the Finance Bill. This is because there are two categories of manufacturers, those who make low value cigarettes, and those who make high end cigarettes. I am happy the Cabinet Secretary for the first time has decided to deal with each section in its own separate way to one, bring sanity to that sector and two, collect more revenue or boost the Exchequer revenue and to create fairness in the sector.

As part of the gated development agenda, the Government has initiated several infrastructure projects that require huge funding. Accordingly, there is need to increase sources of capital for both the Government and the private sector in order to achieve an inclusive development agenda not only for Government, but also the private sector which is involved in huge borrowing for its own infrastructural development whether it is energy or its own industries.

Currently, the capital markets do not exhaustively cover all the Islamic capital products and services. This denies our economy a huge capital that could be tapped from the Islamic market, for instance the *Sukuk* Bond. In this regard, to create that integration of all those markets and to bring on board the Islamic markets where both Government and the private sector can borrow for infrastructure development, this Bill, through the Cabinet Secretary, National Treasury, proposes amendments to various tax legislations in order to entrench Islamic capital products in the Kenyan Capital Market. We find the Islamic products in nearly all the commercial banks in order to deal with that particular constituency. We have gone further, for

the sake of the private sector and the Government, to access more funding from different quarters in order for us to float the *Sukuk* Bond. This Bill proposes to amend various tax legislations for a specific reason in order to entrench Islamic capital products in the Kenyan Capital Markets.

The Bill further proposes amendments to other Acts to allow more Kenyans to benefit from the Islamic financial product, whether they are Muslims or non-Muslims. Part of this Bill also highlights the fact that Kenya is re-positioning itself as a regional hub for motor vehicle assembly. That is why we have a number of major international companies such as Peugeot, Volvo and General Motors putting their manufacturing sector in Kenya. It is, therefore, keen to attract foreign direct investment in this sector. In order to realise this, this Bill seeks to reduce the Corporate Tax rate to 15 per cent for more new motor vehicle assemblies to be done in our country. This has taken place in the last five years. When we have those motor assembly plants, we will create more jobs for our youths and transfer of technology will take place.

The Value Added Tax 2013 imposed VAT on all imported ingredients for the manufacture of pesticides, but maintained zero rate status for imported manufactured products. This made the local products expensive hence very uncompetitive. In order to promote and boost the local agricultural production and enhance job creation, this Bill seeks to exempt ingredients imported for manufacture of pesticides.

Finally - and I am sure Members have looked at this Bill - the Government is keen on developing sports, culture and arts in the country. Currently, the sports sector derives its funding from the national sports funds whose monies include proceeds from the sports lotteries, investments and any payments as required by the Act. To increase funding to the culture and art sector, this Bill proposes to amend the Betting, Lotteries and Gaming Act to introduce a uniform tax of 50 per cent to apply for betting, lotteries, gaming and price competition. The proceeds from those measures shall be directed to development of national sports, culture and arts sectors to sports development of talents across the country. This was a whole debate from the industry that is concerned. They have gone to court but I want to tell them that the proposal of 50 per cent is from the Cabinet Secretary, National Treasury. The Departmental Committee on Finance, Planning and Trade will give you an opportunity to engage with them. I want us to engage, reason together and agree on the level of taxation we can apply in order to enhance and support sports activities, culture and arts and, at the same time, protect that industry.

We expect the Cabinet Secretary (CS) to bring amendments as part of his measures to bring the cost of living down. This has been precipitated by the long drought that our country and the Sub-Saharan region have faced. It is the first time that the inflation rate has gone to 7.5 per cent. We are happy and we want to thank the Almighty God for opening the skies. Now rain is found everywhere in our country, but it will take time for farmers to plant and produce food to be put on the supermarket shelves. In the meantime, during this emergency period, we expect the CS to use this Bill to introduce certain measures and bring the Supplementary Estimates II so that the House can allow him to use certain resources to create subsidy for the people of Kenya.

Finally, I wish to acknowledge the Members for the attention and support for this Bill. I ask Hon. Katoo ole Metito, the Whip of the Majority Party, to second the Finance Bill, 2017.

Thank you, Hon. Speaker.

**Hon. Katoo:** Thank you, Hon. Speaker. I rise to second this Bill. As the Mover has ably put it, it is one of the ways that the Government intends to introduce some taxation measures that are aimed at bringing down the cost of living, especially by lowering the prices of the essential commodities. As it has been said at the beginning of this session, the prices of *unga* or flour and

other necessities have gone up. The measures proposed in this Finance Bill will likely bring down the cost of those commodities, especially in the short term.

Clauses 5, 9 and 10 of the Bill deal with those issues. Let me start with Clause 5(b). We have very serious charitable institutions or organizations that are very important in helping this country in terms of dealing with disasters like the one that has happened this morning in the Likoni Channel. We always have the Red Cross and the St. John's Ambulance coming in aid of Kenyans during such times. Clause 5(b)(i) proposes to exempt excisable goods imported or purchased locally by St. John's Ambulance for official use in provision of relief services in Kenya. The clause is also meant to bring the same taxation treatment to other relief agencies such as the Kenya Red Cross Society. I think it is a good measure.

In the same clause, there is a provision which allows returning residents, or persons changing residence, to sell their left-hand vehicles and import right-hand drive vehicles. There are Kenyans who are serving abroad. The other day we were in Boston, where we found many Kenyans complaining that when they come back, they are allowed to bring with them one duty-free vehicle. But the problem is that the vehicles there are left-hand drive. This proposal is meant to allow Kenyans changing residence to sell their left-hand drive vehicles and buy duty-free right-hand drive vehicles in Kenya, so long as those vehicles do not exceed the value of the left-hand drive vehicles that will have been sold abroad.

Previously, it was a must that the vehicles are of the same make, engine rating and year of manufacture. However, this time round with this proposal, that has been exempted. What matters is that the new vehicle should not exceed the value of the left-hand vehicle. That is a good proposal and I support it.

Clause 9 proposes to zero-rate and remove from the Exempt Schedule, maize flour, wheat flour, muslin flour and ordinary bread. This is meant to cushion low income households from high prices of staple foods. One of the causes of the high cost of living that we are experiencing currently is the persistent drought in the eastern and southern African regions. The drought has hit even the countries that Kenya import maize from such as Tanzania, Malawi and Zambia. Our country requires about nine million bags of maize yearly, which we were unable to harvest.

We also have the problem of poor storage of grain which results to rejection of maize by millers. This is because poorly stored grained is infested with pests and could also contain aflatoxin. This further reduced the maize that had been harvested. As a short-term measure, it is important for the Government to import maize duty free for milling. The Government should also waive the VAT on flour and release maize in the Strategic Grain Reserve so that millers can enhance their supply in the market. However, as a long-term measure, we need to invest in wide-scale irrigation farming. This will curb food insecurity as opposed to always relying on rain-fed agriculture. Irrigation farming is, therefore, crucial.

Zero-rating of flour and ordinary bread is meant to cushion households from high cost of regular food items. There is also a proposal to zero-rate the taxable goods supplied to the marine fisheries and fish processors. When the Cabinet Secretary (CS) for the National Treasury was presenting the Budget in this House, he talked of the need to stimulate the blue economy. You will realize that Clause 10 proposes to zero-rate fisheries and fishery processors that will help stimulate the blue economy.

Clauses 37, 38 and 39 of the Bill will enhance good governance, transparency and accountability. They are about the Retirement Benefits Authority (RBA). There is need to approve trustee remuneration as required by law and this will be done every three years. This

will help regulate remuneration and streamline governance issues relating to that matter. This will bring some order in the running of the retirees' money.

Clause 8 proposes to introduce an additional requirement that the RBA should regulate the practice of trustees. That is because when you let them have a free field, you are bound to get some rogue trustees. This proposal is meant to enhance professionalism of the trustees and protect the interest of the members. Clause 39 proposes to provide a penalty for failure to submit statutory returns and further penalise when the offence continues without further court prosecution for the same offence. This is meant to enhance good governance.

Clause 12 proposes to introduce a new paragraph regarding the ascertainment of the total incomes for purposes of deducting expenditures incurred. We have relief agencies such as St. John's Ambulance and the Red Cross which make donations to institutions responsible for the management of national disasters. So, as a means to address challenges of drought and famine, the proposal to deduct the expenditure incurred is hereby presented.

I talked about something that will encourage foreign direct investment (FDI) and job creation in this country. There is need to move to motor vehicle assembly. We saw the Peugeot Assembly Line being launched by the President in Thika.

Therefore, there is a proposal in Clause 17 to reduce the Corporate Tax from 30 per cent to 15 per cent for the first five years of commencement. It is more like a grace period where you motivate FDI and therefore create jobs.

Finally, Clause 19 is about curbing corruption cases within the Kenya Revenue Authority (KRA). Under 19(2), there is a proposal to empower the authorized officers to seize, collect and detain evidence and produce it in court or a tribunal. This gives the authorized officers in KRA police powers so that they can arrest and seize property. This is meant to facilitate the KRA officers in their investigation of cases without relying on police officers who often mismanage the cases. However, this should---

**Hon. Speaker:** I will give you an extra two minutes.

**Hon. Katoo:** Thank you, Hon. Speaker for the additional time. As I was saying, this should be extended with caution. If we say that police officers are corrupt, we should not give a blank cheque to KRA officers. They should also be monitored by the Ethics and Anti – Corruption Commission (EACC) officers so that they do not get the whole latitude when they are collecting revenue for this country.

With those few remarks, I beg to second.

*(Questioned proposed)*

**Hon. Speaker:** Hon. Wamalwa, you seem to have naturally assumed the leadership of the Minority Party side, even as you say you are also adopting.

**Hon. Wakhungu:** Thank you, Hon. Speaker. I rise to support this Finance Bill. I want to thank the Committee for the good work it has done. This Finance Bill is very critical because it puts in place measures of raising the revenue that we must get so that we can implement the Budget. This Bill touches particularly on issues of taxes and duties. There are very good strategies here which are going to help this country in terms of improvement of economic growth. We also have some strategies that are going to work on the negative side.

I want to thank the Movers and particularly the Seconder, who has highlighted by clause for better understanding of this Bill. On the issue of economic growth in this country, we have been told that we moved from 5.9 per cent, but we do not see that growth impact on the common

*mwananchi*. People are crying because of high inflation rate. The cost of living is very high. The cost of *unga* is very high. In this case, I want to particularly focus on Pay-as-you Earn (PAYE). The net effect of the proposal to increase PAYE by 10 per cent is that whatever is going to go into your pocket after receiving your salary will be less. We have a very high inflation rate in this country. But if we are going to tax workers further by increasing PAYE, the little that will be getting into their pocket will not enable them to buy food, pay school fees and provide shelter. This is a very wrong strategy. When the CS appears before the Committee, we should have some amendments. This is going to disturb the pocket of the common *mwananchi*.

When it comes to excise duty, the proposed Kshs175 per litre of spirit has been increased to Kshs200. If we make spirits too expensive, it is very unfortunate that the common *mwananchi* who has low income will not afford them. The common *mwananchi* will start consuming illicit brew. I can see the Member for Githunguri agreeing with me. This is the time you will find people going for illicit brew, which has not yet been ascertained in terms of quality. Such brews will make people blind and affect their productivity. Much as you are trying to increase revenue for the Government, this will particularly affect the youth. Maybe, they go into drinking because of stress of unemployment. If we make it expensive, it will be a disaster. We will have the same issue happening again – people going back to illicit brew. Therefore, this is something that needs to be reflected upon so that as we put measures in place to increase productivity in this country. We do not want to hurt the common *mwananchi*.

The reduction of Corporate Tax from 30 per cent to 15 per cent is a wonderful idea that is going to encourage many multi-nationals to come to this country. In the long run, they are going to provide employment to our youth. We know very well that the unemployment rate in this country is very high, particularly among the youth. Research has shown that 70 per cent of the people who are unemployed today are youth. This measure of reduction to 15 per cent, if at all it is going to encourage more foreign investments to come to this country is, indeed, going to help us resolve the issue of unemployment. Unfortunately, we must go further to do some projection to be able to know the percentage of employment that a foreign investment coming to Kenya will provide to Kenyans.

We have seen some organisations come here pretending to provide employment but only employ two or three people and yet we reduce their Corporate Tax. Most of the issues are to be done in a technological manner. We must establish and know how many jobs are going to be created by these particular investors or Foreign Direct Investment (FDI) otherwise, the issue of giving a blanket 15 per cent in the long run is likely to hurt the revenue of this country.

As I move on, when it comes to the issue of betting, lotteries and gaming, the 50 per cent tax is a wonderful idea. I have seen some idle youth in market places and some are even using their school fees to bet. They are making a kill in terms of returns and by imposing the 50 per cent, it will be a very good opportunity for the Government to raise a good amount of revenue which will help it in terms of implementing what is in the Budget.

On the issue of second hand vehicles, I have no problem with it if we are going to encourage our returnees from foreign countries to bring their vehicles to the country. We know out there the numbers of left-hand vehicles are very many and they are not allowed into this country. I think it is a wonderful idea to allow them to sell their vehicles and buy similar ones in the country.

The issue of zero-rating maize flour is a wonderful idea. Indeed, it is going to help this country to reduce the prices. The only unfortunate thing is that when zero-rating we are not sure whether this will be passed to the common *mwananchi* and this is where there is a problem. This

is a sector where the Government must come in with speed and follow up with the players in maize flour production, so that this benefit can be extended to the common *mwanaanchi* and the issue of the high cost of maize flour in the meantime will be resolved.

The Government must focus on the issue of production. When you look at the factors of demand and supply, production in this country must be increased so that food security can be sustainable. The Government has spent so much money in the Galana-Kulalu Irrigation Scheme at the Coast. We have not seen any produce from there. It is my humble submission that the Government should focus particularly on the inputs of maize production, like fertilisers and also focus on areas where we have arable land like Trans Nzoia and Uasin Gishu. We are happy and thank God for that arable land which has plenty of rainfall. The Government has put in place fertiliser subsidies, but unfortunately it is not reaching the common *mwanaanchi* particularly in counties like Trans Nzoia, Uasin Gishu and Nandi. The Government must increase the amount they allocated in terms of fertiliser subsidies so that we can increase the production of maize in this country and this will help in stabilising maize prices across the country.

The issue of zero-rating the taxable inputs in terms of fish production is, indeed a wonderful idea, particularly to the people practising fish farming in Lake Victoria and other regions of this country. This will help them to reduce the production cost in this sector and in the long run, this can also be extended. Another critical issue leading to the high cost of living is public debt. We know very well the Jubilee Government way of borrowing. The Kibaki Government had borrowed up to around Kshs800 billion. The borrowing in the Jubilee Government has gone to Kshs 3.8 trillion and this is not sustainable. Every Kenyan being born has a big debt because of an irresponsible way of borrowing. It is my humble submission that we borrow minimally and wisely. In the long run we are subjecting Kenyans to huge debts. This is where there is a critical problem. The Government must focus on its borrowing. We are being told that this money is going to improve infrastructure, but looking at the prices of infrastructure it is clear that they have been exaggerated. The extra money is going into people's pockets because of the element of corruption. This is where the problem is. When we talk about the issue of public debt, we must increase production in this country so that we can handle the issue of high prices and increased cost of living otherwise, the big problem we have now is that the Jubilee Government has made the cost of living to rise. Kenyans cannot afford common food like *ugali* which is now very expensive.

**Hon. Speaker:** The Member for Mwatate, Hon. Mwandame. He is not there! The Member for Igembe Central.

**Hon. Kubai Iringo:** Thank you, Hon. Speaker for giving me this opportunity to contribute to the Finance Bill. This Bill is long overdue and it is high time this House fast-tracked its implementation so that at least the measures which are already spelt here can be put into place, especially at this hour and time when our country is reeling from the problem of increased prices and drought which has been there for quite a while. We are glad God heard our prayers and we received some rain which is still there.

The measures proposed in this Bill, in my opinion, are excellent and timely. There are some areas where we have been collecting taxes and in the process we have been doing it at the expense of the common *mwanaanchi* and giving benefit to other areas which are just luxuries and not very important like betting. As we talk, every Kenyan today is talking about high prices of food which are escalating by the day. Unfortunately, even the people who are supposed to be sympathetic to *wanaanchi* especially the businesspeople are taking advantage of the hue and cry and increasing the prices by the day. This has been brought about by the persistent drought in our



country. At the same time, being an agricultural country we have to depend on food produced from our farms and production has been poor.

Another issue which has led to food shortage and increased prices is the poor storage of our foodstuffs. Most farmers, once they harvest their produce, either hang it on trees, or store it in poor granaries where rodents and other pests attack the produce or it is affected by diseases like aflatoxin. It is high time the Government invested in big silos which are well designed where farmers can put their produce for better protection. Most farmers lose a lot of their crops after harvesting but if we can build silos in every sub-county, food can be stored in food bags and farmers can get food and seeds for planting. You can find a farmer harvesting 30 bags of maize but in the next planting season they do not have even one or two kilos to plant because of poor storage.

We also need to establish large maize farms because it is the staple food in this country. You find there are no big maize farms yet the population consuming maize is high. We end up importing maize from our neighbour, Tanzania which has a bigger population than us but because they have bigger farms and produce a lot of maize, they have some to spare and sell to us.

We need irrigation in those farms. There was a noble proposal by the Government. One of the flagship projects of the current Jubilee Government was to irrigate 1 million acres of land. That is yet to be realised. I strongly challenge the Government because the Ministry of Agriculture, Livestock and Fisheries which was charged with this should at least turn this into reality and then we would not talk about it again.

Betting has been the talk of every other town and market. In the proposed Estimates in the Budget which was recently read by the Cabinet Secretary (CS) of the National Treasury recently, he mentioned taxing proceeds from betting. This has become a modern problem which should be checked once and for all. It has turned Kenyans and our children into gamblers. Everybody has turned to looking for free money and people have stopped working because they want to see this money. The other day somebody won Kshs221 million. There are people who have started sitting down on their gadgets and keep on betting hoping to get the same amount of money. The time we waste engaging in betting is productive time that we would have used to engage in other important things like farming and also starting industries.

We should not even target taxing betting as such. We should try to eradicate the same or put in place strong measures which will make sure that this does not get into the nerves of our young people who should be trained to be productive instead of sitting down and idling in casinos and other places.

The assembling of vehicles locally, opening of new industries and expanding our EPZ zones will go a long way in creating jobs for our young generation and also increase in production.

As I conclude, I request that this Bill be fast-tracked so that we can implement it and save our people from the expenses of running their families without food so that they can at least get a balanced diet.

I support the Bill.

**Hon. Speaker:** Let us have the Member for Homa Bay.

**Hon. (Ms.) Nyasuna:** Thank you, Hon. Speaker for this opportunity. I would like to support this Finance Bill. Even as we debate this Finance Bill, Kenyans are looking at us to relieve them from the very frustrating high cost of living. It has been hyped that Parliament would resume so that we reduce the cost of *unga*. One of the ways through which we can achieve

this will be through this Finance Bill. It should not be lost to Kenyans that the state in which our economy is in currently, with inflation at 11.5 per cent despite promises and commitment by the Jubilee Government to maintain inflation at between 2.5 per cent and 7 per cent, is really a culmination of the failed promises of this failing Jubilee Government.

When we hear about of SGR we think more about the Standard Gauge Railway than about the Strategic Grain Reserves that this country is supposed to maintain. We are being treated to this discussion that we have had long droughts and that is why Kenyans are facing the very high cost of living. Drought should no longer be a determinant of the state of the economy of this country as if we are living in the Iron Age. Currently, we live in a very modern society where droughts are predicted and should be planned for. We have been treated to the circus of fake fertilisers and seeds that has cumulatively resulted in Kenyans being unable to afford the daily meal.

As I was coming to Parliament, I went through a supermarket. A packet of 2 kilogrammes of *unga*, which I brought and was taken away from me when I was coming in here, is being sold at about Kshs180. Two kilogrammes of sugar are now going for almost Kshs400. A packet of milk like this one which we were buying at Kshs30 is now Kshs65.

*(Hon. (Ms.) Nyasuna displayed a packet of milk)*

Kenyans can no longer continue living in these kinds of conditions. Yet, what we get from Jubilee is promise after promise and shifting blame.

**Hon. Speaker:** I hope Hon. Wanga that will only be an exhibit and not for any other use.

*(Laughter)*

**Hon. (Ms.) Nyasuna:** Hon. Speaker, I plan to table it as an exhibit.

**Hon. Speaker:** Do not table it because somebody else might use it for other purposes.

**Hon. (Ms.) Nyasuna:** Hon. Speaker, apart from just the cost of food, we are also facing a very serious shortage of water. A Kenyan living in the current economy does not know what to spend their money on. Are you going to buy *unga* or water which many Kenyans especially in urban areas and even in rural areas have to now buy very expensively?

The other day when the Right Honourable Raila Odinga spoke about capping rent, he got a rebuttal from the Deputy President saying that “*Nyumba si yako. Wewe hujaijenga. Wewe hujui rent utaweka namna gani.*” But we need to look at a place where as a Parliament we can have policy around rents and managing of rents and how often people can increase rents. If you ask any regular Nairobi, they will tell you that their landlord will come to their door after six months and tell them that rent *imeongezeka* and is increasing from Kshs5000 to Kshs10000 without any regulation. This Parliament does not know how often rents are supposed to be increased and what manages and controls rent. When we proposed to do that, it is turned into a mockery by a Government that is completely insensitive to the plight of its citizens. Even as this cost is so high, the 1 million jobs per year that were promised to Kenyans are not coming. What I would like to say to Kenyans is that they are staring in the face of mockery from a Government that has made promises that it cannot fulfil; A Government whose time to go home is here and nigh.

What should we do in the immediate? When the Budget was read, we spoke about zero-rating of maize and its products. With regard to supply of maize, corn flour, wheat, maize-meal

flour and ordinary bread, what we need to see from our Treasury is immediate discussions with millers to see how to reduce prices immediately so that Kenyans do not have to suffer through the kind of costs that they are going through at the moment.

As we had said, failing to plan is planning to fail. We are staring at the cumulative lack of planning by the Jubilee Government for some of the calamities that we are facing as a country and that is why we have ended up where we are currently.

There are many interventions within this Finance Bill. We need to see how to expedite them as a House so that we relieve Kenyans the high and tragic cost of living that they are facing.

Thank you, Hon Speaker.

**Hon. Speaker:** Member for Turkana Central.

**Hon. Nakara:** Thank you, Hon. Speaker for giving me the opportunity to contribute to this debate. First of all, I would like to challenge the words of the Leader of the Majority Party: That the economy of this country is growing every year. It is growing on papers and not in action. An economy that creates jobs and improves the living standards of the people is the best. But this economy that we are proud of every now and then, that is growing, does not reach the grassroots where the majority of Kenyans live.

The economy is growing, but lives have not yet changed. The poverty index in this country is higher than it was when the Jubilee Government came in. As a sympathizer of the Jubilee Government, I still have some doubts that this Government has done what we promised the people of this country. And as one of its sympathizers, I can say without doubt that we have failed this nation because the living standards of our people are not the way we found them as the Jubilee Government. We need to address the common needs of our people in this country. We have people out there who do not know how people at the grassroots suffer. We need to see how we can bring down the high cost of living in this country to the level that every Kenyan can afford. We need to empower people economically and let everybody have money so that they can have economic purchasing power. At the moment, only few people have purchasing power. The majority, especially the pastoralists of this country, suffer. So, when we talk about the economy growing, it is on paper. Lives of people have not yet changed.

The Cabinet Secretary for National Treasury announced reduction of prices of some commodities when he was here. The problem in this country is that we speak, but we do not follow up. In some countries, when they announce reduction of prices of commodities, the Government makes sure that its agencies go down to the shops to make sure that the shops are selling according to prices the Government proposed. The problem here in Kenya is that we speak, but we do not go down there. We reduce prices, but we do not go to see whether the retailer or wholesaler is selling at the prices that the Government has announced. It is very shameful that we are still lying to our people that we are going to improve their lives and yet some people cannot afford common commodities like sugar, milk and flour. Even some people's salaries cannot take them throughout the month. They finish everything within a week.

We challenge this Government to use its agencies to implement what they proposed. When the Cabinet Secretary (CS) was here, he gave very good proposals on how prices of common commodities can be reduced so that the common *mwanaanchi* can have purchasing power to buy them. We are not implementing that.

The proposals made in this Finance Bill of increasing some taxes, will reduce employees in this country again. Many companies and factories in this country have been closed because investors have run away. The cost of energy here is very high compared to some other countries.

The environment in this country does not encourage investors to come here. It breaks the hearts of many investors who want to come. So, again when we increase some taxes, we actually make some people jobless. We have seen a flour company in Machakos close and over 200 people were rendered jobless. We have seen other companies like Nakumatt, in today's newspapers saying they want to reduce the number of employees and close some branches. That means that some Kenyans are going to lose some jobs because of high taxes in this country.

So, we want to tell the CS to make sure he reduces taxes so that investors can come and create job opportunities for our people. That is the only way the Government can say that it has created an environment that can enable investments to be brought into our country to create job opportunities for our people. But if the Government is not going to provide such an environment, then job opportunities will be rare in this country and we shall continue crying.

Although this Bill is good, we need to work hard so much. Let us not look at the big brother up there, but let us look at those people at the grassroots level: the people who do not have permanent jobs and who rely on businesses and casual jobs. Those are the people we need to make sure that they feed their children and take them to school. We want to challenge the Government because last time it released some money for free education, but up to now, some schools have closed just within a week because they have no food. These are mostly schools in pastoralist areas where people depend on food. So, those students have gone back home because they do not have food.

On the issue of the Government giving free education money, it takes two or three months to get to schools. Parents blame teachers by saying that they have received the money that they saw in newspapers and television yet they have not bought food or books. So, it is time to speak and do as we say.

Finally, I want to challenge the CS, National Treasury, that coming here and telling us good stories and giving us hope that he is going to do this and that and we clap here is not enough. The people of this country are no longer going to trust the Jubilee Government. I think, very soon, this 2017 election is not going to be of stories. We are going to elect the Government which is going to consider the lowest man in this country. We are going to elect a Government that is going to reduce the price of *unga* and that Government, Hon. Speaker, as far as I know, is the National Super Alliance (NASA) Government. It is going to bring the cost of living to the level where we are going to afford. I am telling Kenyans that this Jubilee Government must go home in 2017.

Thank you.

**Hon. Speaker:** Hon. Joyce Ekai.

**Hon. (Ms.) Emanikor:** Thank you, Hon. Speaker for giving me a chance to contribute to this Bill. I rise to support it because it touches on items that touch on our daily lives and the lives of the common person. Inflation, increase in prices of alcohol by making it more difficult to get and cigarettes, betting and lotteries, are things that happen in Kenya now. This Bill has gone down to touch on the socio-economic aspects of our lives. This Bill brings solutions to the issues people are crying about. As leaders, I do not find it well for leaders to lament when they are supposed to give alternatives and solutions. Solutions are given through legislations and not through making noise and blaming the Government. Some of these problems we have in Kenya did not start with the Jubilee Government. Some of them have been there for ages, in fact, they were there when the people who are now complaining were in Government. A government to solve these problems should be a government of people who have never occupied the seats that we are fighting for.

These are people who have been there before - We know them. So, it is not a new team that is coming in. I want to caution: If it is new, you better tell us! We know the damage that alcohol has caused in the community. I am happy that this Bill proposes to increase the price of alcohol. I am hoping that it is going to alleviate the problems that are brought about by alcoholism, by addressing the issue of affordability.

In terms of betting, lotteries and gaming, the current rates are 7.5 per cent for betting, 12 per cent for gaming and 5 per cent for lotteries. This is extremely low considering the kill that the companies make. I consider it as an act of plundering poor vulnerable Kenyans. We know many Kenyans have no ways of making money and now they are losing all the little money they get. So, the move to increase taxes on betting, lotteries and gambling will help us regulate this sector. It will help avert negative social effects. We know that it is counter-productive for the youth. As one of the speakers said, many youth nowadays just sit back and go through their phones to wait for this money which never comes sometimes. It impoverishes people because they use a lot of money in the long run. In fact, it has caused others to commit suicide. The proposed increase in the taxation rates will boost revenue for this country. We know in 2014/2015, KRA collected Kshs 4.7 billion. So, how much more will the Government collect if the 50 per cent increase is enacted? This will even save the taxman. For instance, in the coming Budget, the taxman is expected to raise Kshs 189 billion - That is a lot of money. However, if we raise money through collection of taxes from betting and gaming, then it means the taxman's burden will be reduced. It will also reduce inflation and lower the cost of living. We have been crying about inflation rates being high. The money raised will go to develop sports and culture. It will help nurture the youth in terms of developing their talents and even create jobs for them. It will occupy the youth which will in turn reduce crime and also expose our youth to the international arena in terms of competition and even getting skills that will shape the future generations of this country.

I am concerned about the increase in PAYE. When inflation is high and people are paying more money to buy items, increasing the PAYE is tantamount to punishing them double. It is akin to giving with this hand and taking back using the other hand. We may have to make some amendments on the PAYE proposal just so as to make the Bill palatable to everyone.

Thank you.

**Hon. Speaker:** Member for Ugunja.

**Hon. Wandiya:** Thank you, Hon. Speaker. I also wish to support this Finance Bill, 2017. This is a routine Bill. In real sense, it is meant to give effect to Government's fiscal policy. The problem is that once you get it wrong at the policy formulation, then you can never correct it through the Finance Bill.

I have been struggling to understand the direction the Jubilee Government wants to take this country through its fiscal policy, but I am unable to get anything. Unlike the Kibaki regime, which was very clear in matters of economy, this Government has had serious problems in convincing Kenyans that it is interested in addressing the economy of this country. This Bill, of course, encompasses the matter of excise duty, Value Added Tax (VAT) and Income Tax; the main facets of a fiscal regime.

*[Hon. Speaker left the Chair]*

*[The Temporary Deputy Speaker]*

*(Hon. Omulele) took the Chair]*

I have scanned through this Bill, even though I must admit not in detail, but it is true that it is coming at the most critical moment in the history of this country. As we discuss this Bill, people in the countryside and slums of our cities and towns are going through very difficult times. I have been in the village for the last couple of weeks. Life has, indeed, become totally unbearable as a result of the skyrocketing prices of basic food items. Governments, the world over, exist to serve the interests of those that they govern. Governments have no business being there if not to serve the interests of those people they claim to govern. The paradox in this country is that we have had successive governments that have got no touch with the persons that they purport to be serving. One classic example, you will agree with me, is the Jubilee Government.

I was perplexed last week and early this week to hear none other than the President of the Republic of Kenya coming out and to explain that they know there has been a problem with the cost of food items, but it is not that they have been sleeping on the job. That they have been trying to plan on how to address it. How long does it take a Government to address the issues that affect the common person? It would be an excuse to imagine that the leaders of this Government have been living outside this country because for one to claim that they are planning on how to address the issue of skyrocketing prices of basic food items, it is indeed to insult the intelligence of Kenyans.

When you narrow down to the matter of basic food commodities, any sensible Government would employ the policies that would protect the farmers within its borders. Even in the USA, the Government goes an extra mile to provide protection. Indeed, governments give subsidies to farmers to enable them produce enough food, both for consumption and export. It must be understood that farmers are rational human beings. They will indulge in farming and they will invest more in it only if they are assured of returns. Unfortunately, that has not been the case in this country. As we speak, the key sector of agriculture has virtually collapsed in the hands of Jubilee. We were made to understand that this Government would implement an ambitious irrigation scheme that would cover one million acres in order to address the matter of food insecurity. That has not happened in Jubilee's last few months in power.

If it were to happen going by the pace it has been moving, this Government will require another 50 years. These are years that Kenyans cannot give them. You understand that as we speak, the price of a two-kilogramme packet of maize flour is going for an average of Kshs150 up from about Kshs90 towards the end of last year. If things do not change, that price is going to double in the next couple of months. What are Kenyans supposed to do, yet we know that the issue of food is a matter that has caused upheavals in countries? The issue of food can cause serious social unrest and it is the duty of the Government in power whether elected properly or rigged in like this one, to address the issue of food. If a Government abdicates its very key basic responsibility of addressing food security, it has got no business pretending that it is governing. Luckily, Kenyans have a date with this Jubilee administration on 8<sup>th</sup> August. Hopefully, it will be sent home so that a new Government can be put in place, a Government that is responsive to the plight of the people.

More importantly, the reason why we see the agriculture sector collapsing is not because the people in Government have no idea of what needs to be done, it is because there is not goodwill. There is no will to do it. They have no will to do anything because in a crisis such as the one we find ourselves in, there are opportunities for rent seekers. There are opportunities for

people to corruptly acquire wealth. There are people who profit whenever there is a crisis such as the one we find ourselves in. It is unimaginable that you can be addressing shortage of maize, sugar and milk and the skyrocketing of their prices as if you woke up yesterday from some deep slumber. What this country needs to do going forward firstly is that, we need to master the courage to address the matter of the cost of food production. It does not really cost much to support farmers, so that they can have incentives to produce more and more. As way back as last year, it was clear that this country would face a food crisis. I sit in the Departmental Committee on Agriculture here in Parliament. We raised this matter. Last year there was imported fertiliser which was incorrect. Very poor quality fertiliser was imported into this country last year through a dubious process. This is fertiliser which ended up causing havoc in the major grain baskets such as North Rift. It was obvious to all of us that there would be a massive food shortage. You are aware of what has befallen the sugar sub-sector where as we know what needs to be done but people in power have continued to ensure that the sugar sub-sector stays on its knees. The reason is that they get an opportunity to import cheap sugar to make obscene profits at the expense of the lives of the common man.

Finally, is the issue of corruption. We have just heard that the United States of America (USA) has blacklisted the Ministry of Health. In fact, it has cut off all possible aid going to the health sector because of corruption. When we raised this matter last year---(*Off record*)

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Opiyo Wandayi, I will give you a minute.

**Hon. Wandayi:** Thank you, Hon. Temporary Deputy Speaker. When we raised the matter of the scandal in the Ministry of Health about the Kshs 5 billion that was stolen by people who are known, we were told that we were talking about things we do not know. Now it has come to pass. Today the USA has confirmed that there has been massive fraud in the Ministry of Health under the watch of people whom we know. Instead of putting them in jail we transfer them to other ministries because they are sacred cows. This country cannot develop if we continue in the manner we are proceeding. That is why Kenyans need to wake up and send this Government home so that we put in place a Government that is going to address issues affecting Kenyans.

With those many remarks, I support, blatantly of course.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well. We shall now have Hon. Onesmus Ngunjiri, Member for Bahati.

**Hon. Ngunjiri:** Nashukuru Naibu Spika wa Muda kwa kunipa nafasi hii na pia nashukuru Mwenyezi Mungu kwa kutuwezesha kurudi hapa. Tulikua na muda mzito sana lakini Mwenyezi Mungu ametuwezesha kurudi. Ni jambo nzuri ujiweke kwa Mwenyezi Mungu na tujadiliane vile mambo yalivyo mbele yetu na tusipige kelele. Mtoto anaweza kupiga kelele na hajui kuzungumza na unashindwa anataka nini. Ni peremende, unga ama ni nini anataka? Lazima mtu aanze kuongea ndio tuweze kujua. Hatukukuja hapa kuzungumza mambo ya Rais ama Raila. Tumekuja kuzungumza yale mambo yaliyo mbele yetu. Kuna watu wanasema eti Rais ameshindwa. Si Rais. Hatujaona Upinzani ukileta Mswada wowote ambao unaongea juu ya mambo wanayozungumzia. Waseme tumeleta Mswada unaohusu jambo hili na hili. Hakuna. Tunawahitaji sana wasaidie kukosoa na wasaidie kuleta Mswada utakaosaidia. Ni muhimu sana. Kama hawawezi kuleta hiyo, ni kelele tu. Nashangaa mmoja ni rafiki yangu. Nashangaa kwa sababu Wabunge huelewa kwamba tuko hapa kutetea nchi hii. Ninaona wengine kwa sababu wameruka kutoka Jubilee na kuenda upande wa Upinzani, na ni watu wanahitaji kujua msimamo wao, wanaanza kuzungumza mambo ya kushangaza. Pengine wangekua Bishops lakini mtu

lazima achunge na ajue Mwenyezi Mungu anatumia. Tuzungumze mambo ya ukweli na si mambo ambayo hayatusaidii.

**Hon. Nakara:** On a point of order, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. John Nakara, what is out of order?

**Hon. Nakara:** Mhe, Naibu Spika wa Muda, mimi najua Kiswahili sanifu. Ningependa kupongeza Mheshimiwa mwenzangu. Je, ni halali kwa Mheshimiwa mwenzangu kusema ya kwamba yule aliyekua upande wa Jubilee kuruka upande mwingine hastahili kushutumu mabaya yanayotendeka katika nchi? Ni lazima ninyamaze wakati ambao watu wangu kule Turkana wanakufa njaa ama hawapati chochote? Hata kama niko Jubilee lazima nishutumu maana Serikali iliyoko sasa ni ya Uhuru Kenyatta na yeye ndiye anashikilia uongozi na siyo Raila. Makosa yote yanaenda kwa yule anayeongoza.

Asante Mhe Naibu Spika wa Muda.

**The Temporary Deputy Speaker** (Hon. Omulele): That is a clear point. It is well made.

**Hon. Ngunjiri:** Mhe. Naibu Spika wa Muda, mimi sikutaja jina la mtu yeyote lakini kama mtu anajijue, ni haki yake ajiue. Hakuna haja ya kupongeza Serikali wakati ulikuwa upande huu, halafu baada ya mchujo uanze kuongea ubaya wa Serikali. Hivyo ni kukosa msimamo. Mambo yaliyo mbele yetu, tunahitaji kuyaangalia. Sisi ndio tunatengeneza sheria. Kama tunatengeneza sheria, tuwache kupiga kelele. Tuseme yale mambo ambayo tunaweza kutatua. Kama kuna shida ya jambo fulani, tuipendekeze, tuizungumzie na tuone mwelekeo ni upi. Lakini tukifanya mambo ambayo inatuhusu kama Wabunge ni lazima tujue kwamba sheria ya nchi hii haitengenezwi na Uhuru Muigai Kenyatta ama Raila. Ni sisi Wabunge! Kwa hivyo, tunahitaji ushirikiano mzuri wa kuangalia ni shida gani ili tuweze kujua ni jambo gani tunaweza kufanya kutatua jambo hili. Mambo haya yote yamefanyika tukiwa kwa hili Bunge. Na kama tulikuwa kwa hili Bunge---

**The Temporary Deputy Speaker** (Hon. Omulele): Mhe. Ngunjiri, nafikiri itakuwa vyema kama tutaweza kuangalia ule Mswada ambao uko mbele yetu badala ya kuzungumzia siasa. Najua yapo maneno mengi yanayofanyika kule nje, lakini kwa sasa hivi kazi yetu ni kuangalia Mswada ulioko hapa, ambao ni Finance Bill, 2017. Tuangalie vipengele hivyo na tusizungumzie mambo mengine. Tusiende kwa siasa tafadhali kwa sababu naona kuna hoja za nidhami nyingi. Itafanya mchango wako kuwa bila ladha. Kwa hivyo, jaribu kuzingatia Mswada.

**Hon. Ngunjiri:** Bw. Naibu Spika wa Muda, haijalishi kama nitaongea mambo ya ukweli kama ninavyoyafahamu. Sisi tumechaguliwa hapa, tumekuja kisiasa. Na tulichaguana kisiasa. Kwa hivyo tukizungumza mambo yale yanayofaa na kuyasuluhisha kisiasa, nafikiri ni kweli. Tuzungumzie suluhisho tunaloweza kupata. Tunahitajika kukaa chini pamoja tuangalie ni jambo gani linalohitaji kurekebisha kwenye huu Mswada. Tuzungumze ukweli. Kama kuna pahali ambapo kuna shida, ama kama Mswada huu ulipitishwa kwa njia mbaya, niko tayari kulizungumzia jambo hili ili tuone ukweli uko wapi.

Sisemi hivyo kwa sababu ya siasa. Ninasema hivyo kwa sababu ya jukumu letu. Sisi tukiwa hapa, kama Wabunge, tunahitaji kuweka tofauti zetu kando na tukumbuke kwamba tulichaguliwa tutatue matatizo ya wananchi. Kama kuna jambo lolote lenye utata, tulijadili kwa uzuri. Tuwaweke Uhuru Muigai Kenyatta na Raila Odinga nje, tuzingatie jukumu letu la kutafuta suluhisho. Ni jukumu letu. Tumechaguliwa na wananchi kuwatetea. Tukianza kutoka nje ya upeo huo, mimi nitakataa. Ndiyo maana ninakataa. Ninawaomba wenzangu tukae tuliangalie jambo hili. Kama kuna shida ambayo inaonekana, nitakubali. Kama jambo lolote linahitaji majadiliano, tukubaliane ili tuweze kuisaidia nchi hii. Hakuna Upinzani na Serikali tukiwa kwenye Bunge



hili. Kazi yetu ni kujadiliana na kulinda haki ya mwananchi, tukitafuta namna ya kumsaidia. Kama mwananchi anaumia, tuzungumze kuhusu jinsi tutakavyomsaidia. Kama bei ya kitu fulani iko juu zaidi, tuizungumzie. Hivyo ndivyo ninavyosema. Sisemi hivyo kwa sababu niko upande ya Jubilee. Mimi niko hapa kuwatetea watu wa Bahati. Kazi yangu nzuri ndiyo iliwafanya watu wa Bahati wanirudishe Bungeni kwa muhula mwingine ili niendeleo kuwahudumia. Hii ni kwa sababu mimi huwatetea kwa njia ya haki. Kwa hivyo ninaomba tuendeleo na utaratibu wa kuangalia jambo nyeti ni gani. Na hilo jambo nyetu tulizungumzie kwa utaratibu. Lakini tukianza kuingilia mambo mengine---

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Onesmus Ngunjiri, what you are saying is correct but Hon. Opiyo seems to have a point which he wants to raise. What is out of order, Hon. Opiyo?

**Hon. Ngunjiri:** He wants to make noise.

**Hon. Wandayi:** I am allowed to raise it in English. Is Hon. Ngunjiri, the good Member of Parliament for Bahati, really in order to continually refer to our contributions in this House as *kelele*? He has said a number of times that our contributions, as Members of the Opposition side, are mere *kelele*. Can you rule him out of order and ask him to apologise?

But more importantly, as I conclude, he has alluded---

**The Temporary Deputy Speaker** (Hon. Omulele): He is out of order. I will just correct him so that we move forward.

**Hon. Wandayi:** But he has also alluded to the fact that the people of Bahati have returned him back to this House. The fact is that he has not been returned. He still has a very big battle on 8<sup>th</sup> August, and he will be meeting with an ODM candidate in Bahati, who will send him home.

Thank you.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Opiyo, the second part of your contribution is neither here nor there. If Hon. Ngunjiri believes that he has been returned, that is up to him. He is entirely entitled to his beliefs.

Hon. Ngunjiri, no contribution made in this House, with the Speaker in the Chair, can be considered as noise. I would kindly ask you to restrain yourself from referring to contributions from Members as *kelele*.

**Hon. Ngunjiri:** Thank you, Hon. Temporary Deputy Speaker. Nashukuru. Imeeleweka na inajulikana ni hivyo. Lakini ninakubaliana na vile ulivyomesema. I respect the Chair. Ukishatoa mwelekeo, ni lazima tuufuate. Ndiyo ninamshauri mwenzangu awache kuzungumzia siasa za Bahati. Tuzungumzie mambo ambayo yako mbele yetu. Ndugu yangu, tuheshimiane. Tuangalie tutafanya nini ili tuweze kuiendeleza nchi hii tukiwa pamoja.

Ahsante sana.

**The Temporary Deputy Speaker** (Hon. Omulele): Members, you can see the heat that the recent events in the country are generating. But let us try to constrain ourselves to the matter that is before us so that we can make progress for our nation.

I would like to give this chance to Hon. Michael Onyura.

**Hon. Onyura:** Thank very much, Hon. Temporary Deputy Speaker, for giving me this chance to contribute to this Bill. Right from the outset I want to say that I support the Bill because it is also fairly procedural and routine. This Bill is seeking to give provision for the implementation of the proposals that were given here through the Budget.

I have gone through it; I have looked at some of the areas that are being covered. For example, I am happy with the enhancing of taxation for proceeds of betting and related activities.

I think taxation at 50 per cent is called for because for some reason this activity is now booming in our country. I wonder why betting and gambling is booming so much. I do not know whether it is because Kenyans are very hopeful people. Or maybe this is an indication of a really low-level of desperation. Whatever the reason, I think it is only fair that it is taxed at the highest levels possible. What I would hope is that such taxation should be channelled to welfare activities in our nation and community. For example, the health sector is going through a lot of difficulties. Such taxation should be channelled to the National Hospital Insurance Fund (NHIF) for universal healthcare. I would wish that such kind of taxes would be ring-fenced and channelled to sectors that are of welfare to our people, including empowerment funds like Uwezo Fund, which is a good idea. I hope it is a fund that is permanent, and that it will be strengthened. I have seen areas where groups that have received this money are doing very well. If it is properly managed, Uwezo Fund can also uplift the living standards of our people. Rather than just make it a chance Fund – hoping that we will not have a run on the Fund – it is a fund that should be developed properly and be used to empower our people.

There is a section that addresses issues at the Kenya Revenue Authority (KRA). That is called for as it will give them the muscle they need to do their work. They are doing a good job. It is important that we update the rules and some of the Acts that touch on KRA, so that we can be sure they are able to do their job of collecting revenue and accounting for it. They need our support in very many ways so that they can have the necessary environment to do the job we have given them to do.

Ultimately, unless they meet their targets and collect revenue, we shall have serious shortfalls and we will not implement some of the proposals in the Budget. It is also encouraging to see that Islamic banking has been addressed here in terms of co-operatives and SACCOs. There is a good opening that can assist us tap into possible sources of financing and raising capital. So, it is good that at long last it is being addressed by legislation.

I have also noted that with regard to the Retirement Benefits Authority (RBA) the issue of remission of contributions from Members has been addressed. It means that delays or non-remittance can be punished appropriately. This principle should cut across all the statutory deductions. Any employers who do not submit statutory deductions, be they the National Social Security Fund (NSSF), the National Hospital Insurance Fund (NHIF) or even contributions like those of co-operatives should be penalized. This will discourage the practice of employers withholding or failing to remit contributions from employees.

Hon. Speaker, I have noted that the Public Procurement and Disposal Act has also been looked at. If there is an area that is most problematic in the management of public affairs, it is public procurement – It is the mother of all corruption. So, I would support anything that would assist in strengthening and curbing corruption. Anything that would help minimise the delays and bureaucracies in procurement should be welcome. Some of the inefficiencies and failures in Government and public sector have to do with procurement. They take so long until at times the financial year ends without good programmes being implemented. Therefore, the proposal of looking for quicker ways of reaching decisions on public procurement is a good thing and I support it.

I have also noted that there is reference to special economic zones. This is good and should be encouraged. These arrangements should be adopted by counties so that they can set up special economic zones that will provide employment to our people and also stimulate economic activities in the counties.

Finally, our tax regimes and rules should be as friendly as possible to the food sector. They should support agriculture in terms of subsidizing farm inputs, fertilizers, and fuel. So, if our tax regimes and laws can support agriculture and if our Government can look into issues of marketing and supply, we will definitely move this country somewhere.

Hon. Temporary Deputy Speaker, with those comments, I support the Bill.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well. Let us have Hon. Chanzu, the Member for Vihiga

**Hon. Chanzu:** Thank you, Hon. Temporary Deputy Speaker for this opportunity. Members have gone through some grueling nomination process. It is a very queer timing where you go for nominations and then come back to the House. We used to go for nominations and proceed to prepare for the general elections. I congratulate those who won and encourage those who did not win to support those who won. I thank the people of Vihiga County for nominating me to be their Amani National Congress (ANC) Party candidate for the gubernatorial seat in Vihiga.

There is a big problem about pricing. We repeatedly talk about the same things but I do not think we are able to implement what we talk about because we forget very quickly. Here in Nairobi whenever it floods, people die and we soon forget about it. We have never put in place long-term measures. In the previous regimes, we had Ministries that took care of some of these emergencies, but after the calamities were over, we forgot about what was affecting us. It is high time we put in place long-term measures in order to handle these problematic situations. I do not understand it when we talk about poor weather and yet we are in the same climatic zone as Uganda. I was watching television the other day and I saw that Kenyans living on the border can get food cheaply from Uganda and yet we share the same climatic conditions. We should not make political statements to just please people. That time the Government will have the welfare of its citizens at heart, we will be able to address this problem.

The other day we agreed that the money for the National Constituencies Development Fund (NG-CDF) could not go through the normal channel because of a court case. We agreed that the money should go to the Ministry for it to be disbursed to the constituencies. Instead, the Ministry called all the officers in the counties and the constituencies for seminars so that they are taught how to manage that fund. That expenditure that the Government has incurred by taking officers to attend seminars could have been avoided. These costs are all borne by the ordinary Kenyan because we have no other source of income other than taxation. We do not have oil or minerals.

Immediately after the last general election the President talked about VAT. In the campaigns, they were talking of reducing the cost of commodities including foodstuff. Immediately after that they levied VAT on a number of items. The ordinary *mwananchi* is paying a lot of tax yet there is nothing he is getting. This is because they pay 16 per cent on everything they buy and yet they do not get any returns. Even when you give those boys in Lwanda money, they are not employed, but they pay taxes. This is a serious thing. Corruption has made everything expensive. There are too many middlemen and by the time an item gets to the targeted person--- A good example is sugar. The other day, the Cabinet Secretary, National Treasury, delivered his Budget Speech here and said that they are going to allow duty-free imports of foodstuffs and their prices would be low. Once the farmers harvest, what will happen to the prices? The market will still be flooded by those cheap imports. How will the farmers make a profit from the money they have spent on the inputs so as to harvest food crops like *mahindi*? I think this is not well thought out.

The Ministry of Finance and the Office of the President (OP) used to have professionals who used to advise Government and not the other way round. Leaders should not talk about what they do not know but what they have been told by technocrats and not creating their own things. People who are appointed into positions including us, sometimes it is just because of political expediency but you cannot be an expert in something and want to talk about it. You may not be agriculturalist but then you are appointed a Cabinet Secretary (CS) for Agriculture. I think the experts in the ministries should be given more powers to advise the Government than the other way round.

How long has the laptops project taken us? I said in the Departmental Committee on Education, Science and Technology that the President should be advised on how to approach it. This was unnecessary expenditure and it has not worked out up to now. The political statements we make in public must have some kind of policy and we should be guided on what to say. The reason why this is happening is because there are a lot of erratic issues being raised here and there. The Government should take this seriously and entrust technocratic to advise it. Local producers do not have incentives and taxation is very high. So, local production is a problem.

We have been talking about KICOMI which existed many years ago and collapsed. That was an industry which could have created a lot of employment but because our people want to import things to avoid paying duty and make a lot of profit it has not been revived. You have seen expensive vehicles being imported. Some people avoid paying taxes because of a very high appetite for money. They want to amass a lot of money which they will not spend. The aspect of corruption in this country is causing a lot of trouble which I would like Members to address. We have put laws in place and there are agencies which are supposed to deal with corruption but are not doing any work. When you go to the county offices you will find a lot of corruption. They are given kickbacks there and bring positive reports when there are none.

You can remember a governor being called to the Senate to defend Kshs2.6 billion which had gone missing. How long has this taken? I heard that governor saying he would not come because the vehicle he was to use broke down. Nobody took serious note of that. Kenyans are suffering because some people want to run away with corruption and there is nobody to control it.

*(Consultations)*

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Makali Mulu, kindly tone it down so that we can hear Hon. Chanzu.

**Hon. Chanzu:** Another thing which this Parliament will have to do is to find a way of ensuring that when some of these issues are detected, action is taken. Once governors are called to appear before the Senate, the Director of Public Prosecutions (DPP) is supposed to take action but he does not. Therefore, everybody feels that corruption is a good thing. Even small children now know what is happening. How shall we control corruption if we cannot control it from here? The laws we pass in this House are good but their enforcement by the people we have authorized to enforce them is lacking. People behave like middlemen who want to benefit. In fact, I have noticed the moment you report something to the police you are now creating a chance for them to extract money from you. These kinds of things must be stopped, but they cannot be stopped if the Government fails to listen to the Members.

**Hon. Mbui:** On a point of order.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Mbui, what has Hon. Chanzu said which is out of order?

**Hon. Mbui:** On a point of order, Hon. Temporary Deputy Speaker. With all due respect, is it fair for these defectors from the National Super Alliance (NASA) to sit where our Leader of Minority Party, the Deputy Leader of Minority Party and the Whip are supposed to sit?

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Mbui, you know that the House does not have any sitting arrangements. It is quite in order for them to sit there. In this House Members can sit where they wish. The way they are seated is okay. There is no problem. Hon. Chanzu, kindly complete your submissions.

**Hon. Chanzu:** Lastly, the cartels we have talked about for many years here are still there in areas like the oil industry and others. These are the kinds of things which the Government should implement in order to minimise corruption. When people collude, they quote high prices of items. This is what increases the price of commodities and it should be checked.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well, Hon. Chanzu. Hon. Mbui, again you are not paying attention to what is happening in the House. We shall have the Hon. Member for Siaya, Hon. (Dr.) Christine Ombaka.

**Hon. (Ms.) Ombaka:** Thank you, Hon. Temporary Deputy Speaker for giving me this opportunity to add my voice to this Bill. It is true that a government that cannot feed its people has failed. Food is critical and is an essential basic need for every human being. If you cannot put food on the table, and your children are going hungry, then the Government has failed you. A family that cannot eat cannot go to school or get medical care because they have failed to get the basic need.

This is a very important Bill because once we know the root cause of inflation in this country and we are able to identify what we can do to salvage our people, we will know the way forward. I just want to support this Bill in terms of the fact that we looking for ways in which people can eat and be healthy because without food you cannot be healthy. For a long time ever since I came to this Parliament, we have been talking about improving the livelihoods of our people, fighting poverty and insecurity and providing education, medical care and many things. We are just about to close Parliament and go back for the next elections and the problem of lack of food has not been sorted out.

That is why I feel so committed to this Bill because we must leave this House with ideas on how we can feed our people, go to school and get jobs. These are the very fundamentals of life. If we cannot achieve them now, we can say that the Government is closing the four years we have been here without achieving anything. We must accept that the Government promised many things, which we have looked forward to but we have seen nothing. Now, we have three months to go and the Government is still lamenting that there is no food for our people. It must be accepted that the Government has failed. Once you fail, then you come up with a proper strategy.

Strategies have been laid here but we must highlight the reasons why we do not have food. It is not that we do not have farms where we plant crops such as maize but we do not know how to manage the food sector. We have not been able to manage the agriculture sector yet we know this country depends on it. We have so many people depending on agriculture and they do their very best but they do not get enough inputs. Many people back home ask me to buy fertilizer for them. As a politician, you try your best to buy fertiliser for those who ask you, but the question remains: Why am I being asked to buy fertiliser for the people I represent? Why can they not get fertilisers? The argument has been that fertilisers are too expensive for them. They say that fertilisers have disappeared and are not in the market to be bought. They write down their names somewhere and after two weeks, they are called to collect the fertiliser. We have a

system that does not support farmers. That is why the agriculture sector is failing. People are getting tired and are just waiting to be supported by leaders. My question has always been: Do we need to subsidise fertilisers and seeds? Can we not give them free of charge? Is it possible to do that? If it is possible, let us go ahead and give people free fertilisers and seeds, so that they can use them on their farms.

What is subsidised goes through many different routes and does not reach the common person. It does not. There are so many ways of making money in between that at the end of the day, seeds and fertilisers do not reach the farmers. Our farmers are not farming and so, there is no food and we will continue that way. I believe subsidising has been a good thing, but it does not seem to be working. We should just go straight ahead and give farmers free seeds and fertilisers just like we give free medical care and education - if they are ever free, anyway.

You can never attain food sufficiency if you do not support farmers. Our country is known for corruption all over. A corruption scandal emerges after another and we have a series of them. When you are corrupt, do not expect good things. You are using money badly. What you need to buy is being given to the wrong people. People are misappropriating public funds and robbing this country. This affects many things. It has several effects. There are consequences of mismanaging funds.

On Labour Day, I heard the President say that the minimum wage should be increased by 18 per cent. You can increase salaries, but if there is no food, the increase will not help. What will you buy with the money you get as salary increase when there is no food to buy from the market? We may increase salaries by 18 per cent, but how will the increment help if there is no food to buy with that money?

Today, nurses are going on strike once more after doctors were on strike the other day. Why do we have a series of problems that deal with money anyway? What is a salary if you cannot get it? What is a salary if you get it but what you buy with that money is not there? We are playing a big game that is so difficult to understand that even if we pass laws in this House with this great looking Bill, whether it will be implemented is another thing altogether. We lack implementation more than anything else. We have very good laws in this country that we make in this House now and again. This is another bit that we are trying to improve, but this is paperwork. What we do in Parliament is paperwork. What is critical is on the ground. We may come up with Bills saying that we can improve this and that and increase taxes on proceeds of betting, but if we do not implement that, we are wasting time. I want us to have a situation where there is full implementation of our laws. Otherwise, we just sing for five years and nothing will work.

I really sympathise with this country and our people who are going hungry. We are all going hungry anyway, but the people who are suffering more are our constituents in villages. They have no jobs. When you increase the minimum wage by 18 per cent, they have nothing to be increased because they have never been employed. We should start from there. We should create job opportunities for our people and equip them with skills to do these jobs.

We used to have extension officers in the agriculture sector, whom I do not see anymore. These are the people who should be helping farmers to farm better through the use of modern farming technologies and skills. We do not see them anymore. Why can we not also start from there? Where are extension workers to help our people in the villages to farm better and plant proper seeds which enhance their production?

The Government wishes to improve the standard of living for our people, but there is little action towards this. You have heard what has been said about the sugar industry. The sugar,

fishing and tea industries are collapsing. Coffee is dead. A section of the economy is dying. Why can we not ask questions around these issues? They will help us to answer the question why we do not have food on our tables. It is just not maize or sugar, but many other things are collapsing and we are not getting it right. As we continue with corruption and fail to create job opportunities for our young people, we are not telling the truth about what we need to put on our table. All those are interrelated. We cannot talk about how to increase taxes and not talk about employing people, improving the agriculture sector and subsidizing fertilisers and seeds. All those are interconnected. We must do everything right for all of us to get food on our table.

I just want to appeal to the Government---

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Christine Ombaka, I will give you a minute so that you can just finalise.

**Hon. (Ms.) Ombaka:** I just wanted to wind up by simply saying that we should do our best in the agriculture sector. Let us teach our people modern farming skills. Let the right people be there. Let extension workers be there. Let us give our people free fertilisers, seeds and teach them modern farming methods so that we do not give excuses that the reason we do not have food on our table is caused by external factors. There are internal factors that we need to correct first before we can talk about food on our table. Otherwise, the Government should open its eyes and accept that they messed up along the way.

**The Temporary Deputy Speaker** (Hon. Omulele): Very erudite contribution. Members, as we go on, I would just like to hear from Members. Having looked at the Objects and Memorandum of this Bill, the Bill seeks to entrench the provisions in relation to collection of taxes and matters incidental thereto and specifically touching on the Betting, Lotteries and Gambling Act, the Kenya Revenue Authority Act, the Stamp Duty Act, the Cooperatives Act, the SACCO Societies Act and the Retirement Benefits Act. These are matters that touch general Kenyans and the way they live. The matters are of concern today when we are all talking about high prices of flour. These are matters that the relevant Members should try to entrench in their contribution.

I would like to give this opportunity to Hon. Grace Kiptui, the Member for Baringo.

**Hon. (Ms.) Kiptui:** Thank you, Hon. Temporary Deputy Speaker for giving me the opportunity. I rise to support the Bill.

Going through the Bill, it is dealing with issues that pertain to the excise duty. It touches a lot on taxation. I can see, for instance, the Value Added Tax (VAT), Income Tax and other tax procedures. The Bill will help in revenue generation and the collection of resources in this country and will streamline certain areas where there are loopholes. For example, we have issues of procurement which many people do not adhere to and this has always been subject to arbitration and court cases. Once these loopholes are sealed and different amendments are brought forth, we will save our country a lot of money that was going to waste.

Hon. Temporary Deputy Speaker, on the issue of food availability in our country, the Bill will give us reason to rethink how we have come to this point. Recently, we passed the Budget and we all applauded it saying that it was a good one. But it looks like it was just a short-lived experiment. Taxes on some commodities were reduced, but it looks like the impact was not so much. That is why it has been eroded by the high prices and has brought about high cost of living in our country. Right now, we witness queues in supermarkets because the sellers have started to regulate the amount of food each Kenyan can buy. This is worrying because we are already staring at shortages of sugar, maize-flour and other commodities like bread.

My immediate call to fellow Kenyans is that they should diversify what they eat, so that instead of saying that they must always have maize flour, they can have other types of foods that are available in supermarkets and other food stores. The moment they diversify, they will have full stomachs and they will go about their businesses. Children will go to school and parents will go to work. A hungry nation cannot be productive. In that respect, while we are looking for long-term solutions, my rallying call is diversification.

Thank you, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Daniel Maanzo, Member for Makueni.

**Hon. Maanzo:** Thank you, Hon. Temporary Deputy Speaker for giving me an opportunity to contribute on the Finance Bill, 2017. A lot has been said about the Bill. I agree that the Objects of the Bill are quite clear. They are quite clear and there are taxes which are being levied in different forms and for different purposes.

I want to pick the issue of beer. The moment you overtax some beers, you open the door for cheap and illicit brews in the country which will damage more youths. Therefore, it is only fair that we tax beer such that it still remains affordable to ordinary Kenyans, so that many young people do not end up consuming cheap beer. This country has a history of deaths due to illicit brews. In fact, in 2013/2014, many Kenyans perished from the consumption of illicit brews. So, taxation on such items will kill the brands of manufacturing companies and at the same time promote a lot of illicit brews. So, it does not help the country. Proper research needs to be done, so that in the Committee of the whole House, we will make adjustments so that we can protect Kenyans against cheap brews. At the same time, we need to make sure our people consume properly prepared brews.

I have also seen an increase in PAYE. When I look at it, it takes care of the lower cadre, but it is higher to the high cadre income earners. Therefore, it is a way of balancing, but still Kenyans are being overtaxed. We have to be careful not to overtax Kenyans. There are quite a number of other taxes in this Bill which relate to Islamic banking. The Islamic faith has a specific regime which falls under the Islamic Law on how to deal with money from cooperatives, savings, credit unions, microfinance to normal banking. There is the *Sukuk* and the *Haram* issues that talk about making unusual profits from whatever transactions in financial banking. We should have a balance.

A large part of this country practises the Islamic faith. It is only fair that they are given a *Sharia* compliant tax regime and *Sharia* compliant financial practices, so that they do not hurt their personal law. The moment you get into personal law and faith, then the Constitution protects you. Therefore, this law should be within the Constitution for us to protect the Kenyans' faiths and ensure that whatever we do does not injure their faith. This should fall within the Islamic Law which is supported by the Islamic faith and the Constitution. Therefore, fixing the Islamic finance arrangements makes it fair to people who practise Islamic faith. I support the Bill to that extent. This means it is compliant with the Constitution and respects different faiths in our country. That is what gives a country stability. The moment you begin enacting laws which injure people's faiths or which are unconstitutional then, those particular laws are unconstitutional. I support that particular issue. Islamic Income Tax regime or Islamic finance arrangements are quite common. In this Bill, they are featured from Income Tax, excise duty and many other forms of taxations which have been enumerated. Therefore, to that extent, I support.

We have to make sure that this Finance Bill does not hurt Kenyans. Right now, the cost of living in Kenya is very high. This begins with taxation. Are we making this Bill to make sure



that we provide the Government with more money to cater for its activities while hurting Kenyans and discouraging any development? Majority of Kenyans are very poor. Very few Kenyans earn high salaries. They earn very little salaries. That is why in future, we need to look, as a country, at means and ways of investing in the resources that we have, like other countries have done. We need to take care of our oil. We need to invest in it. I am sure Kenya will make Kshs40 trillion out of that investment and that will cover our Budget 20 times our current Budget. Kenyans will enjoy a lot of tax relief. Kenyans are overtaxed. Countries which have exploited their natural resources such as Botswana have low tax regimes. Healthcare and education are free, but we have a different experience in Kenya altogether. We need to invest in oil production and security systems, so that we can increase our tourism base and foreign exchange earnings. That way, even if we are affected by drought, we will have enough money to mitigate the effects of such drought. We need to invest in irrigation to cushion Kenyans from effects of drought and enhance food sufficiency in the country.

We have a disaster in this country because agriculture has been devolved. Food security should be experienced in the counties. Counties should provide food for their people. But this kind of arrangement does not give Kenyans enough food. It is not clear where our investments are going. It is not clear where Kenyan taxes are going. When it comes to insurance, they are not well balanced.

Under Article 174(g) of the Constitution, resources should be distributed equally across the country. That is why the money we collect as taxes should be taken care of. When you overtax Kenyans, then this money should not end up in corruption. It should be put to good use. It should go into, say, investments. We should be in a position to produce more food through irrigation. We are supposed to have a big dam called Thwake, in Makueni Constituency. Its construction has been slowed down because of lack of finances and proper arrangements in the country. If such investments were to be made, then the one million acres Galana-Kulalu Irrigation Scheme would be sustained. As we talk now, there is not enough water to sustain the project. If we can have a dam built upstream, then there will be sufficient flow of water. Therefore, the Government needs to take care of that particular project which has been sponsored by Kenyan taxes.

We tax Kenyans using this Finance Bill. I have even seen something to do with cigarettes here. The ones with filters attract a different tax from the ones without filters. In fact, the worse cigarette is the one without filters. This is the one which is killing Kenyans and so it should be very expensive. A lot of Kenyans suffer from cancer which is as a result of smoking cigarettes. They go to Kenyatta Hospital where the cost of medical care is cushioned through the taxes that we pay. So, as a country, we are paying a lot of money towards medical care and we need to tax more the cigarettes which are not filtered than the ones that are filtered.

I will be bringing amendments at the Committee of the whole House. I support.

**The Temporary Deputy Speaker** (Hon. Omulele): We should have Hon. Florence Kajuju, Member for Meru.

**Hon. (Ms.) Kajuju:** Thank you, Hon. Temporary Deputy Speaker, for this opportunity to support the proposed amendments in the Finance Bill.

I have heard comments that the Jubilee Government is a failed Government. There are people who are so used to failure that whatever they see, they imagine that it is failure. I would want to say that the Jubilee Government is not a failed Government. It has done its part. That is why we are taking this opportunity to ensure that we take care of Kenyans by making sure that they are given what is necessary for them. In this case, the President directed that this House

takes the earliest opportunity to look at amendments that can support the feeding of over 40 million Kenyans. Therefore, that statement is out of order and ought not to have been stated by an honourable Member in the first place.

Going to this Bill, you and I as learned friends know that the law is made for man; man is not made for the law. Therefore, if there is a situation that does not favour man, then that situation must be rectified through an amendment so that we can be comfortable with the law as it is. It is therefore important that this amendment has come to be. Women are the ones who suffer the most when there is drought and if there is insufficient food, especially *unga*. We know for a fact that the price of *unga* has skyrocketed. The little money that *mama mboga* gets cannot buy *unga* yet *unga* is a basic commodity. Once we are able to support these families through reduction of the price of *unga* then families will be comfortable. I think it is going to apply across the board. It is important to reduce the taxes on foodstuff. It is also important to allow importation of maize so that we address the current shortage.

As I say this, I am also conscious of the fact that we normally get quite some huge amount of rain. We need to manage the water that we get from the rains in this country. We should think of conserving rain water so that we use it for irrigation when the dry spell comes. Kenya needs to increase its use of irrigation. There are times when we get enough rainfall and other times we do not get enough of it. In Meru, when I seek relief food from the Ministry, they get shocked. They wonder how come that can happen. What they do not understand is that there are arid and semi-arid areas in Meru County. The residents often go without food. This should not happen if we do irrigation. We also need to construct dams and dig boreholes in order to address the issue of shortage of rains. This is a good Bill. It will take care of the shortages that we have and, of course, it will lead to redemption of the prices that affect the common *mwanaanchi*.

Going to the other parts of the amendments, I notice that there is the Betting, Lotteries and Gambling Act, Cap 131 where they have increased the tax rates from the current rate to 50 per cent. I absolutely have no problem with that because as we look at the different cadres in society, my own problem would be if this would affect *mwanaanchi* on the ground that I go to see every other day. They cry out for support from Government. In my opinion, this is a proper amendment. I need not say anything further.

When I look at the Kenya Revenue Authority Act, that is just a process where laws are supposed to be harmonised. In the course of making amendments and other laws, we find situations where conflict of laws arises. We should ensure that we harmonise all the laws so that none of the laws is in conflict with any other law. Therefore, that amendment proposed about the Kenya Revenue Authority Act is properly before this House.

In as far as Stamp Duty Act is concerned, it is important that the law applies equitably to each and every human being. I noticed that, that amendment is supposed to provide for tax neutrality for Islamic financial products so that it is able to apply favourably to everyone in the Kenyan market. That is an equitable application of the law. That is how law is supposed to apply to each and every human being.

In as far as the other issues in the various Acts in the amendment are concerned, I tend to agree with the amendment proposed on the Retirement Benefits Act where it is proposed to impose a penalty when one fails to submit statutory deductions. This is important because a citizen owes a duty of care to the Government of the day. If you are doing business in the country, or you have employed personnel in this country, whatever you do on day-to-day basis that gives you profit, it is your duty as a citizen to ensure that you file your statutory returns.

Failing to file them would reflect bad faith on you. Therefore, it would be important that there is a penalty because for any law that is passed, there must be a sanction. In this case, if you fail to file your statutory returns, then you would be breaching the law. Therefore, it is important that we place a sanction over the failure to file any returns that by law, you are supposed to file.

I also support the other amendments because most of them are ordinary amendments that do not go to any effect in as far as the application of the law to *mwananchi* is concerned. This is a good amendment and I support it across the board. I support the Bill and the amendments.

Thank you very much, Hon. Temporary Deputy Speaker.

**The Temporary Deputy Speaker** (Hon. Omulele): Very well presented. I will now give this opportunity to Hon. Nicholas Gumbo, Member for Rarieda.

**Hon. (Eng.) Gumbo:** Thank you, Hon. Temporary Deputy Speaker for the opportunity to speak to this Bill. As I speak to this Bill, allow me to start by saying that the public finance cycle is usually uniform and in fact it is always universal world over. In any country, the public finance cycle will start with the Budget design, which is the presentation of the Budget between Parliament and the Executive which is presented to the House. Then Parliament embarks on the enabling legislation to implement the Budget which in essence is nothing more than a covenant with the people and a statement on what the Government intends to do to the people as it collects taxes from the people.

That second stage of the public finance cycle is where you effect the enabling legislation to implement what is designed in the Budget and that is where you have the Appropriation Bill and the Finance Bill. Once that is done, the proposals are presented to the various arms of Government; the Executive, Judiciary and Parliament to implement which is now the implementation stage. Finally, you have the public audit stage which is really an interrogation into the fulfillment of the objectives of the Budget. What we are looking at now is the second stage of the public finance cycle. An important element in that second stage of the public finance cycle which is the Finance Bill is on measures that the Government uses to collect taxes and levies for purposes of fulfilling the revenue requirements of implementing the Budget.

Budget-making process and utilisation of public finance is a key obligation for us as elected leaders. When you look at it in detail, the Government has no money. The owners of all money that the Government uses are the public and in this case, we are talking about the Kenyan public. Our obligation as lawmakers is to be gatekeepers in ensuring and giving the guarantee to the Kenyan people that the money that the Government raises from them is used for the specific objectives that are intended. So, this second stage is very important because and it is justified by the history of Parliament. Parliament came because those many years ago, citizens felt that if you tax us, then you have to give us an opportunity to have a voice in how the money you get from us is utilized, hence the institution of Parliament. This is a very important stage and I am glad that it has come at a time such as this.

Hon. Temporary Deputy Speaker, going into the provisions in the Bill as you rightly said, I think because of the times we live in and for a good reason we tend to dwell on the matter of food security which is important because an underfed population is not useful in generating public revenue--- Before I come to that, I just want to look at the provisions of this Bill and I think that the provision to amend the Betting, Lotteries and Gaming Act increased the tax rate from the current rate to 50 per cent is good. Even as we raise taxation, we also have to look at the issue of age limit. There are many cases now where school going children run out of school to engage in gambling because the way most of the gambling and lotteries programmes are designed, it is to make them look like they are quick source of cash especially for the vulnerable

groups, the young people. I would like to propose an amendment as we go into the Third Reading of this Bill so that we also talk about the issue of age limit and this should cover cases even when we are using gambling machines or when we are using digital and online betting platforms to undertake betting, lotteries and gambling.

Having said that, I do not want to go into each of the provisions on the taxes and revenues that have been proposed. This year, as you may well know, I happen to have the privilege to sit as the Chair of the Public Accounts Committee (PAC) and we have noticed a lacuna in the law on Miscellaneous Fees and Levies Act and this has got to do with the visa stamps. As we speak today, there is no specific provision in any of our laws to provide on how the revenue received from visa stamps in various embassies and diplomatic missions abroad should be recorded and treated. We now need to look at the Miscellaneous Fees and Levies Act, No.29 of 2016 so that we can make an amendment to include visa stamps among miscellaneous fees and levies that are being collected. This has made it prone to abuse.

Going back to where I started, the budget-making process is nothing more than a covenant with the people. One of the key cogs of that covenant is the guarantee of any Government to feed its people. Anybody who has been keen on my contributions in this House since I had the privilege to step into this august House for the first time on 15<sup>th</sup> January 2008, must have noticed that I have been very consistent and indeed it is an underlying, almost principle that you cannot aim to be a developed nation when every year you have to hold out begging bowls in order to feed your people and yet when, you look at the design of our country; Kenya should have the ability to feed its people. This does not require grandiose programmes.

Our country as we know it today is an expansive 583,000 km<sup>2</sup> of land. Our country is one-and-a-half times the size of Germany. If you focus on the aspect of rainfall, the average precipitation in this country is 1.5 metres, namely, 1,500 millimetres. That is a huge amount of water. That amount of water translates to 874.5 m<sup>3</sup> of water a year. The engineer in me tells me that if you were to harvest just 1 per cent of that water, you will guarantee every Kenyan on a daily basis 500 litres of water. The average domestic requirement for water in this country is 50 litres per person per day. We need to design very simple schemes, and it is already happening in Yatta in Machakos. Yesterday I was watching a programme in the upper parts of Baringo where people are guaranteed of food security based on rain water. The problems of this country are simple and achievable. What we lack is getting the right priority. I have just seen gabions being dug in villages in some of the driest parts of Baringo and they are able to provide water all year round for their crops. If you are able to harvest just 1 per cent of the water we receive from rainfall in this country, 500 litres per person would mean that we have an extra 450 litres per person including new born children, which we can then use. It therefore means that every household would have enough water to use.

Hon. Temporary Deputy Speaker, just add me one minute so that I can conclude.

**The Temporary Deputy Speaker** (Hon. Omulele): Eng. Gumbo, you are speaking the kind of language that I enjoy listening to. I will give you extra two minutes.

**Hon. (Eng.) Gumbo:** Thank you, Sir. On harvesting, if you decided that 99 per cent should run to waste and harvest just 1 per cent of the water that God gives us every year in this country, like I said, every individual, not household, will be guaranteed of 500 litres of water. The daily needs of every individual, including bathing, washing clothes and even flushing toilets, is just 50 litres. That leaves us with an extra 450 litres. That means that it is possible for every household in Kenya to benefit from an irrigation scheme based on rain water. To put it into perspective, in Yemen, whose average precipitation is 50 millimetres, and I said Kenya's average

precipitation is 1,500 millimetres or 30 times that of Yemen, the main source of water in rain. Yemen is a desert, but Kenya is not a desert.

Therefore, it has to be amazing and indeed unacceptable that 60 years down the road, we have not made rain water harvesting mandatory for every household, and for every house built in Kenya. Why can this not be done? Why can county governments and the national Government not have it as a policy? I can tell you those who have tried it, it has worked. This is a simple, achievable and realistic cure for the chronic food problems in this country.

Hon. Temporary Deputy Speaker, as I conclude, I was looking at another study the other day - and I am glad you come from the western part of this country - where we had this strange scenario about two years ago. There was a bumper harvest in Kitale and maize was going to waste while people were dying in Turkana. Our storage and distribution network is a major problem. In fact, it is estimated that up to 30 per cent of the food we produce in this country goes to waste. The problem of food security in Kenya is achievable. The problem of food security in Kenya does not require rocket science. All that is required is for us to realign our priorities. Focusing on grandiose things like taking electricity to grass-thatched houses and to villagers who cannot even afford to pay Kshs200 per month is an exercise in futility. We should start with the basics to be able to feed our people.

Hon. Temporary Deputy Speaker, I thank you.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Gumbo, very well spoken. I always enjoy listening to you. I will now give this opportunity to Hon. David Gikaria, the Member for Nakuru Town East.

**Hon. Gikaria:** Thank you, Hon. Temporary Deputy Speaker, for giving me this opportunity to air my views regarding this very important Bill. I also want to echo your sentiments and thank Hon. Gumbo. We are going to miss him in this House. I hope the people of Siaya County will give you an opportunity to manage and govern them. What I have read in the newspapers is unfortunate. It was sad that this would be happening to such a very prominent and resourceful person.

When I pressed my request button, I wanted to start by bashing the Opposition and the very bad things they have been saying about shortage of food and drought. However, having listened to what Hon. Gumbo has said, I realised that that is the kind of Opposition that we have been expecting for the last four years. We have been expecting an Opposition that would be giving alternative solutions to issues affecting the common *mwanaanchi*. Instead of always complaining and asking questions, Hon. Gumbo has rightfully alluded to the facts. I hope the Cabinet Secretary for the National Treasury and the Cabinet Secretary for Planning are listening carefully.

I will make sure that we get a verbatim record of what Hon. Gumbo has just said so that we can take it to the Cabinet Secretary for Planning. Maybe they can get something out of it. Hon. Gumbo has conducted proper research as to how we are supposed to address the issue of food insecurity in this country. If the CS for Planning was listening, through whatever Ministry or Government agency, they can come up with a policy on water harvesting for purposes of irrigation in order to address the problem of food shortage in the country. Hon. Gumbo, if I was a resident in Siaya, despite being in ODM, I would have gladly given him my vote and of course campaigned for him. I hope God will see him through in Siaya. Hopefully, one day we will visit him and see the very good things he has been talking about.

That notwithstanding, I agree with most of the issues that have been raised here, particularly with regard to this Bill. Earlier on, you alluded to the fact that we are just talking

about food security and lack of *unga*, and blaming the Government and things like that. It is up to us, as leaders in this country, to try and come up with measures to address these issues. Just the other day, we passed a law and created a Disaster Management Authority, whose functions include addressing most of these issues. I hope they are going to borrow a lot from what Hon. Gumbo has just alluded to.

The other day I visited Nyanza region to attend the burial of the late mother to Hon. Gideon Ochanda and I looked at some very fertile pieces of land in that area which did not have a lot of vegetation. I asked myself many questions. I wondered what happens to such land. The land was just idle. No cultivation was going on despite the fact that people had no food. I wondered what could be happening. I hope this is what Hon. Gumbo will do when he becomes the Governor of Siaya County. County governments need not just look upon the national Government to address some of these issues. They need to come up with programmes and policies to address these issues and ensure that their residents are economically and socially empowered.

Whatever I had in mind about this issue, Hon. Gumbo has just made it very clear. I totally support what Hon. Gumbo has said. Our Constitution is very clear regarding different religions. This Bill tries to address some of the Islamic laws that have always been forgotten in the finance sector. I totally agree that these laws need to be brought onboard so that Muslims can feel part and parcel of this Republic.

Regarding betting, this has been discussed very many times. As a sports person, I know it is not a very good thing if you looked at it from the time the Budget Statement was read. If the proceeds of betting will be taxed at 50 per cent taxation and this will be used to improve sporting facilities across the country, then, I totally support it. I hope the National Treasury will not collect the money and channel it to other areas of expenditure. The CS made it very clear that whatever they are going to collect will go towards improving sport talents in this country. We will take him to task if he collects the money and nothing is done.

The Jubilee Government had promised to build five stadia all with indoor facilities. This was to enable our youth to train in games that would enable them to compete at the international level. We no longer play volleyball and other outdoor games. If we could have the five stadia out of the proceeds of gaming and lottery, it would be an added advantage. It is unfortunate that the few betting companies in the country had to pump over Kshs6 billion only to have a name printed on T-shirts that belong to some English club in Europe and yet they can only afford to spend a meagre Kshs 300 million on our local clubs which have a lot of talent. So, we are hoping that the 50 per cent tax, as has been indicated in the Bill, will go towards improving the talents of the young Kenyans, so that they can improve their livelihoods.

I used to work in a town council where after people retired, they would be compelled to comeback to look for their benefits. It was unfortunate because the local authorities never used to remit employees' deductions. The retirees were forced to use the little money they had to chase for their pension. I laud the proposed amendment that any person who fails to submit deductions will be penalised. It is not much and we should have prescribed a fine of more than Kshs100,000. The additional penalty of Kshs1,000 for every day remittance is delayed is welcome. Our retirees should be honoured in their old age and be given what is rightly theirs. In the Third Reading of the Bill, I will be asking the Committee in charge to improve some of the proposed amendments.

The Public Finance Management (PFM) Act has been amended to bring on board Islamic laws. The Public Procurement and Asset Disposal Act is one of the laws that have had huge hiccups. For instance, when faced with disasters and we need to spend money, the law still

requires us to follow due process. An alternative means has been proposed in the Bill and now we will have a special procurement method that will provide an avenue for easy procurement of items whenever we have emergency situations to respond to.

When the Independent Electoral and Boundaries Commission (IEBC) wants to purchase items, they are normally told they have to follow due process. Sometimes there is urgency in procurement of items and so, it is important to re-look at the Public Procurement and Asset Disposal Act to provide for procurement under emergency and urgent situations.

**The Temporary Deputy Speaker** (Hon. Omulele): Would you like to wind up or you are done? Let us have Hon. Abdikaddir Omar, Member for Balambala.

**Hon. Aden:** Thank you, Hon. Temporary Deputy Speaker for the opportunity to contribute to this very important piece of legislation, the Finance Bill 2017.

From the outset, this is a Bill that gives us the opportunity to address issues of serious concern from a legal point of view. I am glad this Bill proposes a number of valuable changes to the existing laws. It also brings in new ones which will go a long way in making sure that Kenyans have good governance in terms of financial laws.

Let us consider Clause 9 of the Bill. Kenyans are facing a serious challenge because of the prolonged drought. We are experiencing a high inflation rate in the country and commonly used goods and foodstuff are very expensive. For example, *ugali*, from maize flour, has now become luxurious food. When a country's staple food becomes unaffordable to the ordinary person, then inflation is at its highest. Recently, Kenyans spoke to the media and said that they would rather eat rice and pasta because that is what they can afford. Unfortunately, rice and pasta are not the strength of Kenyans. These are products that are largely imported. It means our economy has gone down. Kenyans are unable to afford maize flour yet it is their staple food.

This section addresses the issue of taxation of wheat flour. It is high time the Government amended this law in order to reduce the price of foodstuff. It also needs to ensure that millers and traders in that industry respond to the new laws. You will be very surprised that after you zero-rate some of these commodities, only one or two shillings would have been reduced from, say, the price of a kilo of maize. That is a joke. However, you will find millers making all manner of excuses with regard to the cost of production. They state that the cost of production is very high. This Bill is all round. The Government should come up with a task force that would look into the issue of the maximum price to be charged on foodstuff. I am not saying price controls should be introduced but, indeed, the Government must monitor prices to ensure that millers reduce the price of maize flour. That way, the lives of Kenyans will hopefully improve and they will be happier people than they are currently.

Clause 6 of this Bill is on VAT. It addresses important issues with regard to Islamic finance. Being a Muslim, I know that we have had serious challenges when it comes to our ability to invest. An ordinary Muslim will not have the privilege to use fixed deposits to earn interest because the same is not allowed. In many cases, we have been forced to use conventional means. That is why you find a lot of money owned by the Muslim community sitting in non-conventional banking sectors. The *Hawalas* invest in what will give them returns that are acceptable to Islamic faith.

Now for the first time, Muslims will participate in the bond market and will invest their money either in the long-term or the short-term because the same has been covered by the law and in a manner that is compliant to Islamic law. This is under a product called *Sukuk*. This is a progressive piece of legislation and will make many Muslims happy. It includes the issue of

Islamic finance returns. There are certain things that are allowed in Islam. For instance, you are allowed to pay for the value that you have gained.

If you are selling to me something, then I am expected or allowed to pay you the value of what you are selling. What is not allowed is, for example, I lend you Kshs1,000 today and come back to you tomorrow asking you to pay me Kshs1,200. But if you tell me that you are going to invest my Kshs1,000, we share the common risk and your investment will earn you Kshs200 or Kshs400 and we shall share the Kshs200, in that case, I will get my Kshs1,200 back. That is allowed. This particular law comes in to bring in financial instruments into the main fold of the Kenyan legislation. This is good.

There are number of other issues that I would like to raise. I am happy with the issue on the Liquified Petroleum Gas (LPG). We should go a step further in terms of reducing taxes almost completely on these products. Contrary to this, a large number of Kenyans, more than 70 per cent, still use the traditional coal and firewood as their means of energy for cooking. This is not sustainable. I drive on the Garissa Highway everyday and see lorries carrying huge tonnes of charcoal. The question I always ask myself is: How many trees does one lorry carry? You will be surprised that an Acacia tree, which takes close to 100 years to grow to its full strength, might not fill a lorry. You need like 10 of them to fill one lorry. If I met 20 trucks in one journey, how many of those trees have been cut down? What can we do to avert this? We should make other sources of energy affordable to Kenyans, so that they can stop cutting down natural vegetation in the environment because this continues to make our country a desert. A way to curb this would be through zero-rating the LPG and equipment thereof related so that Kenyans can buy this product at a far cheaper rate than it is now.

As I conclude, another thing which would progressively add value if we did it is the creation of pans and water reservoirs in this country. You will realise that Kenya has experienced drought for many months. We now have many Kenyans drowning because of floods and all that water is washed away to waste. I think it is high time, as a country, we thought of investments which are tax favourable that can harvest rain water. I can see time is not on my side.

I support the Bill and thank you for the opportunity.

**The Temporary Deputy Speaker** (Hon. Omulele): A very enlightening contribution. We thank you for that. We shall now have the Hon. Jane Machira, Member for Laikipia.

**Hon. (Ms.) Machira:** Asante sana, Mhe. Naibu Spika wa Muda kwa kunipatia nafasi ya kujadili kama wenzangu kuhusu mambo yanayoadhiri maisha yetu hasa bei ya unga na bidhaa nyingine ambacho bei zake zimepanda. Wananchi wanapokosa chakula watakosa mahitaji mengine kama dawa na maji. Tunaweza kuangalia bei ya unga peke yake lakini wananchi wamekosa hata pesa za kulipia matibabu.

Tukiongea kuhusu bei ya unga, inawezakuwa wakati mzuri kwa wafisadi ambao wako na mashehena kule baharini kuleta mahindi nchini ilhali Wakenya wako na mahindi kwa nyumba zao. Hatujui kama tumeishiwa kabisa na mahindi. Inastahili tuweke mikakati ifaayo. Hili jambo la kuwe ka mikakati si geni kwa nchi yoyote. Hata kwenye Bibilia watu walikuwa wanaweka mikakati ya chakula siku hizo. Kwa mfano, wangehakikisha kwamba wako na chakula kwa magala yao yakutosha miaka saba. Sisi Wakenya tunafanya nini? Kila siku tunalia njaa.

Ukiangalia huko Turkana, watu wanalia njaa. Hii ni kwa sababu hatujaweka mikakati yoyote. Inafaa tuweke mikakati kwa sehemu kame za Kenya na tuangalie kama tunaweza kupata maji. Tumeambiwa sehemu kama Turkana ziko na maji ya kutosha lakini nani anafikiria vile tunaweza kupata hiyo maji ili watu wapate kukuza chakula? Inaonekana kama hakuna jambo linalotendeka.



Pia afisi ambazo zinashugulikia mambo yakulipisha kodi zinafaa kuangalia ni bei ya nini ambayo watapunguza hata kama ni mwaka huu peke tu. Hili si jambo ambalo litakuwepo kwa muda mrefu lakini ni lazima tuangalia mikakati ya kupunguza bei kwa muda mrefu. Pia tunapaswa kuwaangalia wakongwe huku nchini ili kutoka miaka 65 waweze kupata fedha za matumizi na kulipiwa malipo yaNHIF ili wapate matibabu kwa urahisi. Hawa ni watu ambao hawajiwezi na tungetaka wawe wakienda hospitali bila kulipa hela yoyote. Umri umewakabili na hawawezi kuajiriwa tena na hawana nguvu ya kufanya kazi. Sisi ambao tuko kwa Bunge hili ambako sheria zinatengenezwa, haijalishi umetoka mrengo mgani, lakini ni lazima tuangalieWakenya walio na matatizo. Tusikuwe tunalaumiwa eti Serikali haifanyi jambo hili na lile. Wewe kama mwakilishi wa Wakenya, ambaye amechagulia kuwawakilisha watu ambao hawana chakula, nilazima uwawakilishe sawasawa hapa Bungeni.

Huu si wakati wakulaumiana lakini ni wakati wa kuangalia kama Wakenya wako na chakula cha kutosha. Tukiangalia wakati uliopita, ufisadi umechukua sehemu kubwa zaidi. Wengine wameweka pesa kwa magunia na kuzificha katika godoro wanazolalia ndani ya nyumba. Hakuna pesa ambazo zinazunguka nchini. Hakuna hata uajiri. Kwa hivyo, lazima tuuangelie upande wa ufisadi. Lazima jukumu la sheria liwepo. Tumewaweka pale watu wa sheria ili wachukue lile jukumu sawasawa na kwa ukamilifu.

Nikimalizia, ningependa kusema ya kwamba Kenya inaweza kujipatia chakula ikiwa kuna mikakati ambayo itatengenezwa na zile ofisi zote zinazohusika na ukulima na ushuru. Hizo zote zikihusika, tunajua chakula chaweza kupatikana Kenya. Hatuwezi kuwa tunapuuza mambo yale yaliyo muhimu.

Juzi, tuliona watu walio na mishahara midogo wakiongezewa asilimia 18. Lakini hiyo mishahara midogo ndio tutakata tena ushuru. Watu hao kweli wataweza kununua unga? Hawawezi kununua unga. Kwa hivyo, lazima tuyaangalie zaidi mambo mengine katika kutafuta ushuru. Ni kina nani twawakata ushuru huu na twatoa kodi wapi? Lazima tuangelie kwa sababu yule mwananchi wakawaida ambaye anaongezewa hizo asilimia 18 ndio pia mwanzo anakosa hata pakiti ya unga. Hata pakiti ya unga hawezi kununua.

Lazima tuangelie kama tumemaliza yote katika maghala yetu. Tukimaliza yote katika maghala yetu, tafadhali tuangelie huko nje kama tunaweza kupata mahindi kwa bei nafuu ambayo hatutakuwa tumefungua mlango mwingine wa ufisadi.

Bali na hayo, naunga mkono Mswada huu.

**The Temporary Deputy Speaker** (Hon. Omulele): Let us now have Hon. Wafula Wamunyinyi, Member for Kanduyi.

**Hon. Wamunyinyi:** Thank you very much, Hon. Temporary Deputy Speaker for giving me the opportunity to contribute to this very important Bill. Having come from the constituency, Hon. Temporary Deputy Speaker, you know what happened. It is a pleasure to be here to make some contribution.

After the introduction of the Budget proposals before the House, it is necessary to put in place enabling legislative pieces which would ensure its implementation and that the intentions are realised. Therefore, it is for that reason that this Bill is before the House. It touches on quite a number of pieces of legislation, which will give effect to the proposals made in the Budget.

The whole country is at the moment going through a very difficult time. Apart from the run for elective positions, Kenyans are having it very rough. Hon. Temporary Deputy Speaker, in my county, of which you are a neighbour, we are major growers of maize and millet. The cash crops we have are cane, coffee and tea in some parts. We produce a lot of maize. When it gets to a stage where our people are not able to even buy one *gorogoro* of maize because of the cost,

what would be the problem? When we harvest, we take the produce to the National Cereals and Produce Board where the Government has reserves for the nation. We get it back very expensively through a packet of *unga* or even from local millers at home. It has become very difficult.

Like I said earlier, we also grow sugarcane. We produce sugarcane in Mumias, Nzoia and many factories in our region. The ordinary peasant at home cannot afford to buy a kilogramme of sugar. We even feel it ourselves. We cannot afford the price of sugar which is very high. A packet of milk, which we used to buy at Kshs 30 is now retailing at about Kshs 70. Something must be seriously wrong in our country. Either it is because of bad policies or we have a non-caring administration in place that does not care about what happens to its citizens. All those problems arise partly because of the reasons I have stated. There has to be a way of formulating policies which would address the interests of Kenyans. Some of the laws which are proposed here, and which I thought would also have been proposed, should address the issues directly affecting the people of Kenya.

I notice from the complaints back at home that the cost of producing maize is very high at the moment. If the Government had put in place measures to enable farmers to get fairly and reasonably priced farming inputs, particularly for those who produce cereals, it would go a long way in helping Kenyans and our farmers, so that they can increase productivity. This would ensure that we have adequate stocks and the people are helped to produce more.

Hon. Temporary Deputy Speaker, similarly, when we were young - I know you are a little younger than me, but when we were young, we used to have field extension officers for veterinary and crop farming who went around advising farmers on proper farming techniques to enhance production and quality of our produce. These days, you do not see them. What happened? Where did they go? Where has the Government taken them? They are not there to help farmers in the countryside to produce enough food. This is something that is necessary. If you can control the prices or introduce subsidies and give farmers free seeds and farm inputs, it would help to fill our granaries and get more food for our people in stores. Therefore, we should deal with the issue of prices.

But as long as you want such an important aspect of the Kenyans' lives to be in a free market economy and the law of demand and supply, then you will be killing these Kenyans. You do not care about them. In many countries, administrations take care of their people by introducing cushioning measures to enable the citizens to undertake production at fair costs. This enables them to run operations without getting into losses. I am unable to grow maize these days because of the cost of farm inputs. Seeds and fertiliser are very expensive. Sometimes the rains are unreliable. Some few years back, rains used to be predictable. This is something else someone needs to tell us about. What happened to the predictable rain patterns? We used to know when the rains would come. We ploughed in February and somewhere around 15<sup>th</sup> March, there was a lot of rainfall. What did we do to it? Is it this Government that has caused this problem, that rains do not come at the right time when we expect them? It no longer comes on 15<sup>th</sup> of March! This is something that must be explained because when we ploughed using oxen, we knew the rains were coming on specific dates. We would plough and put maize in the soil and wait for the rains and the rains came as expected it. Something is wrong with our administration in Kenya that has caused all these problems. We must be working towards ensuring that this administration that is causing a lot of suffering to Kenyans, that even makes rainfall unpredictable, is removed from office. We must do something about it.

Hon. Temporary Deputy Speaker, I also notice from this Bill that we have introduced some amendment to the Lotteries, Betting and Gambling Act, Cap 131. The Bill seeks an amendment to this Act.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Wafula, your time is up, but I will give you a minute so that you wind up.

**Hon. Wamunyinyi:** Thank you, Hon. Temporary Deputy Speaker. On increasing tax from the current rate of 50 per cent, I am not sure about the administration of this tax increase. Are they increasing tax on the beneficiaries or on the gamblers? Where is the difference? How do we arrive at a harmonised administration of tax on gambling? It will remain ambiguous and those who are involved are minting a lot of money and getting away with the money. This is something that needs to be clarified alongside the other laws in these proposals. They are important, but they must be made clear.

With those remarks, I thank you for the addition of one minute.

I beg to support this Bill.

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Members that is the close of that particular Order. We shall have the Mover to reply when we resume.

### ADJOURNMENT

**The Temporary Deputy Speaker** (Hon. Omulele): Hon. Members, the time being 6.30 p.m., this House stands adjourned until tomorrow, Wednesday, 10<sup>th</sup> May 2017 at 9.30 a.m.

The House rose at 6.30 p.m.