

GOVERNMENT OF FIJI ISLANDS

ANNUAL FINANCIAL STATEMENT

For the Year Ended 31 December 2007

**REPUBLIC OF THE FIJI ISLANDS
OFFICE OF THE AUDITOR GENERAL**



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

INDEPENDENT AUDIT REPORT

WHOLE OF GOVERNMENT FINANCIAL STATEMENTS AND APPROPRIATION STATEMENT OF THE REPUBLIC OF THE FIJI ISLANDS FOR THE YEAR ENDED 31 DECEMBER 2007

Scope

I have audited the Whole of Government financial statements and the Annual Appropriation Statement of the Government of the Republic of the Fiji Islands for the year ended 31 December 2007 in accordance with section 167 of the Constitution, sections 46 and 47 of the Financial Management Act (2004) and section 6 of the Audit Act.

The Whole of Government financial statements comprise the following:

- Statement of Assets and Liabilities
- Consolidated Fund – Statement of Receipts and Payments
- Consolidated Trust Fund – Statement of Receipts and Payments
- Statement of Contingent Liabilities
- Notes to and forming part of the financial statements.

The Ministry of Finance is responsible for the preparation and presentation of the financial statements and the information they contain. I have concluded an independent audit of the Whole of Government financial statements and Annual Appropriation Statement in order to express an opinion on them.

The audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the Whole of Government financial statements and the Annual Appropriation Statement are free of material misstatements. Audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Whole of Government financial statements, the Annual Appropriation Statement and the evaluation of the accounting policies.

The audit opinion expressed in this report has been formed on the above basis.

Qualifications

1. An amount of \$64,442,713 in respect of trust moneys shown in *Schedule 1 – Statement of Assets and Liabilities* of the Whole of Government financial statements is not kept in a separate bank account as required by section 25 of the Financial Management Act (2004).
2. The correctness of Income Tax, VAT and Hotel Turnover Tax totaling \$917.6 million collected by the Fiji Islands Revenue & Customs Authority on behalf of the State, which comprised 61% of the Government's total revenue in 2007, could not be substantiated as the audit was denied access to taxpayers records, contrary to section 111 of the Income Tax Act and section 7 (2) (a) of the Audit Act (Cap 70).

Qualified Audit Opinion

In my opinion, except for the effects on the Whole of Government financial statements and the Annual Appropriation Statement of the matters referred to in the Qualification paragraphs:

- the accounts have been faithfully and properly kept;
- transactions with or concerning public money or public property of the State have been authorized by or pursuant to the Constitution or any other written law; and
- expenditure has been applied for the purpose for which it was authorized.

Without further qualification to the opinion expressed above, attention is drawn to the following matters:

- an adjustment of \$21.1 million in the Consolidated Fund Statement of Receipts and Payments as a prior years adjustment could not be substantiated;
- the lack of satisfactory explanations for the increase in unpresented cheques from \$60.5 million in 2006 to \$73.6 million in 2007 in Note 2: Cash at Bank of the Whole of Government financial statements;
- an adjustment of \$33.7 million in the general ledger to reduce the domestic bank account balance could not be substantiated;
- the failure to produce necessary reconciliations of various accounts to ensure the accuracy of the financial statements of ministries and departments.



Eroni Vatuloka
AUDITOR-GENERAL

Suva, Republic of the Fiji Islands

3 November 2008



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I. The Economy

1. Fiji's economy is estimated to have contracted by 6.6 percent in 2007. Sectors estimated to have underpinned the decline were community, social & personal services; building & construction; wholesale & retail trade and hotels & restaurants; agriculture, forestry, fishing, & subsistence; transport & communication; mining & quarrying and finance, insurance, real estate & business services. In addition, although the manufacturing and electricity & water sectors had registered growth, these sectors had grown only marginally.
2. Looking at the performance of the tourism industry in 2007, provisional data from the Fiji Islands Bureau of Statistics indicate that visitor arrivals totaled 539,255, an annual decline of 1.1 percent. In line with lower visitor arrivals, tourism earnings declined by an annual rate of 7.3 percent, cumulative to Quarter 3 of last year. A recovery in visitor arrivals is expected in 2008 supported by continued discounts of airfares and hotel rates.
3. Consumer demand remained weak as indicated by partial indicators of consumption activity (net Value Added Tax collections). In 2007, net VAT collections amounted to \$464.2 million, a decrease of 1.2 percent when compared with the previous year. In addition, lending for consumption purposes also slowed last year, when compared with 2006.
4. Following the political events of December 2006, investment was subdued in 2007. Investors, to some extent, took a wait-and-see approach in carrying out their investment plans. In addition, some major tourism related projects were either completed, or put on hold for almost half of 2007.
5. Data received from Westech Gold Fiji Ltd indicates gold production of close to 1,000 ounces for 2007. Production is expected to increase considering that the cleaning and rehabilitation phase at the mine is now complete.
6. Employment conditions remained weak in 2007 when compared to 2006, owing to the contraction in economic activity. The tourism and mining industries were among the major sectors that led the downturn. Similarly, demand for labour in other sectors, measured by the number of jobs advertised, was lower. Overall in 2007, the number of advertised vacancies registered an annual decline of 2.1 percent. Recruitment intentions were lower mainly in the finance, insurance, real estate & business services; construction; electricity & water; mining & quarrying; wholesale & retail trade, restaurants & hotels and transport, storage & communication related firms. The relatively weaker economic climate and investor confidence contributed to this downturn.
7. On the fiscal front, Government achieved a net deficit of \$157.2 million or 2.9 percent of GDP in 2006. For 2007, both the headline and underlying deficit is estimated at \$96.5 million (1.7 percent of GDP). The lower deficit achieved in 2007 is largely due to lower operating and capital expenditure and to buoyant collections in indirect taxes and non-tax revenue in comparison with the 2006 performance. Government's 2007 estimated debt level was \$2,734.8 million, equivalent to 49.1 percent of GDP.
8. Inflation in 2007 was 4.3 percent. This is attributed to the larger-than-expected price rises in certain categories, as well as some unanticipated price increases. Some of these increases were partially due to the upward revision in excise duties on certain items, in line with the

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2008 National Budget. Moreover, food prices accelerated on the back of higher prices of bakery, wheat and dairy products caused by the droughts in Australia. Additionally, the soaring global crude oil prices continued to filter into domestic fuel prices. Furthermore, prices of domestic market items were higher due to the flash floods experienced in Fiji. The trimmed mean, a measure of underlying inflation, stood at 3.2 percent in 2007.

II. Balance of Payments

9. Fiji's export sector has remained static for a number of years. Provisional accrual trade data showed that in 2007, merchandise export earnings (excluding aircraft) rose by a marginal 0.7 percent, compared to a growth of around 0.8 percent in 2006. Over the same period, total import payments (excluding aircraft) declined by around 7.2 percent, compared with an increase of 13.7 percent in 2006.
10. While the decline in imports last year and the marginal increase in exports has resulted in a narrowing of the trade gap, the trade deficit, however, remains significantly high (a deficit of around \$1.7 billion), and continues to place considerable strain on Fiji's balance of payments.
11. Official foreign reserves at the end of 2007 totalled \$958.7 million, sufficient to cover 4.4 months of imports of goods.

III. Monetary Policy

12. The persistent and large trade deficit and resulting pressures on foreign reserves and the contraction in economic activity posed major challenges for monetary policy in 2007. The Reserve Bank of Fiji (RBF) implemented several policies aimed at protecting Fiji's balance of payments position, which was the overriding focus of monetary policy.
13. The credit ceiling, introduced in December 2006, remained in place over 2007 to address the high credit growth. Commercial bank lending to the private sector was to be held at or below levels prevailing at 30 November 2006. However, special consideration was given for investment projects, exports and to small businesses; lending to these areas was treated as outside the credit ceiling.
14. On 30 March 2007, the Bank tightened measures on borrowings by foreign owned companies and non resident individuals. Effective from May 2007, the Bank reduced the Statutory Reserve Deposits (SRD) Ratio from 7 percent to 6 percent. This move injected liquidity into the banking system, placing downward pressure on interest rates.
15. In June, the Bank relaxed some exchange control policies relating to advance payments for imports. This policy measure was put in place to facilitate trade payments and assist importers in meeting their overseas commitments. In September, the Bank made further changes to its exchange control policy, after consultations with stakeholders, relaxing requirements for local borrowing by non-resident companies. This policy was to be effective from 1 January 2008.

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16. To promote exports, the Bank made changes to its exports finance facility (EFF). This amendment has increased the availability of credit to exporters at relatively low interest rates. The Bank announced further relaxations to its exchange control policy in October to further increase the delegation of authority to authorised dealers for certain payments.
17. Money and credit growth slowed in 2007. Broad money rose by 10.4 percent in December, driven largely by an upsurge in demand deposits. This compared with a growth of 19.8 percent at the end of 2006. Domestic credit slowed significantly to 3.2 percent in December 2007 from 23.6 percent in December 2006, underpinned by a substantial slowdown in private sector credit growth. Commercial banks' credit growth also slowed to 2.1 percent in December from 21.4 percent a year earlier underpinned by lower lending to private individuals and the building and construction sector.

Interest Rates

18. Interest rates rose in early 2007 largely due to tight liquidity conditions. However, since April, interest rates have generally trended downward, underpinned by rising levels of liquidity in the banking system. Time and savings deposit rates fell over the year by 460 and 20 basis points, to 4.45 percent and 0.64 percent, respectively. However, the commercial bank lending rate rose by 56 basis points to 8.46 percent over the year.
19. Bond yields fell significantly as a result of high liquidity conditions in the financial system. Over the year, yields on 10 and 15-year maturities fell by 436 and 657 basis points to 6.39 and 6.58 percent, respectively.

Secondary Bond Market

20. In 2007, bond trading activity in the secondary market increased, both in volume and value terms. The number of transactions rose significantly to 93 trades valued at \$30.9 million, in comparison with 13 trades valued at \$1.5 million in 2006. After a lapse of over 6 years, the South Pacific Stock Exchange (SPSE) recorded 4 bond trades in the secondary market, valued at \$5.5 million.

IV 2007 BUDGET

21. The Revised Budget Estimates for 2007 provided for receipts amounting to \$1,471,644,321¹. A revised estimate of expenditure totaled \$1,572,369,900². The actual out-turn for the year, however, showed receipts totaling \$1,391,254,442 and expenditure amounting to \$1,504,949,155.

¹ Excludes borrowing/loans

² Excludes principal payments.

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Comparison with Revised Estimates

22. The final out-turn for 2007 compared with the revised estimate and with 2005 and 2006 actual data are as follows:

	2005 Actual (\$000)	2006 Actual (\$000)	2007 Revised (\$000)	2007 Actual (\$000)
Expenditure				
Operating (SEG 1-7)	908,133.2	1,052,378.3	964,755.5	988,322.5
Operating - Pensions	37,204.4	36,500.2	38,628.2	35,568.2
Operating (SEG 12)	328,543.0	334,260.5	447,219.2	405,592.6
	1,273,880.6			
Capital (SEG 8-10)	213,508.6	212,641.8	273,893.6	193,683.7
VAT (SEG 13)	100,826.4	113,689.1	116,700.1	103,023.3
Total Expenditure ³	1,588,215.6	1,749,469.9	1,841,196.6	1,726,190.2
Revenue				
Operating Revenue	1,184,096.0	1,323,478.5	1,436,653.9	1,347,870.9
Capital Revenue	37,785.6	71,416.4	34,990.4	43,383.5
Total Revenue ⁴	1,221,881.6	1,394,894.9	1,471,644.3	1,391,254.4

Comparison with Past Revenue and Expenditure Out-turn

23. A comparison of the 2007 budget out-turns against the previous four years are given in the table below.

Year	Actual Revenue ⁴ (\$000)	Actual Expenditure ³ (\$000)
2003	1,066,271.6	1,446,547.1
2004	1,176,177.4	1,479,089.5
2005	1,221,881.6	1,588,215.6
2006	1,394,894.9	1,749,469.9
2007	1,391,254.4	1,726,190.2

³ Includes Principle Repayments

⁴ Excludes borrowing/loans

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REVENUE

24. Actual 2007 revenue receipts totalled \$1,391,254,442 with operating revenue accounting for \$1,347,870,927 and the remainder of \$43,383,515 representing capital revenue receipts. Note that from 2005, revenue collections have been reclassified under the new chart of accounts. All revenue data reflect this new classification. Operating and capital receipts for the past five years are given below:

	(\$000)			%
	Operating Revenue	Capital Revenue	Total Revenue	Change in Total Revenue
2003	1,065,562.9	708.7	1,066,271.6	
2004	1,176,016.0	161.4	1,176,177.4	10.3%
2005	1,184,096.0	37,785.6	1,221,881.6	3.9%
2006	1,323,478.5	71,416.4	1,394,894.9	14.2%
2007	1,347,870.9	43,383.5	1,391,254.4	-0.3%

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Operating Revenue

25. For the purposes of comparison, the following table gives total operating revenue collected under the major categories for the years 2003-2007. Collections as a percent of total operating revenue and percentage change from previous years are also provided.

	2003	2004	2005	2006	2007	06-07
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
	%	%	%	%	%	%
	Change	Change	Change	Change	Change	Change
Direct Taxes	269,339.7	334,608.8	352,498.2	446,090.4	438,337.4	438,337.4
<i>% of Total</i>	24%	28%	30%	34%	32.5%	-2%
Indirect Taxes	660,561.2	698,710.9	713,310.7	781,130.4	792,025.9	792,025.9
<i>% of Total</i>	62%	59%	60%	59%	58.8%	1%
Customs	282,483.4	294,351.2	298,194.3	301,600.5	326,193.9	326,193.9
<i>% of Total</i>	25%	25%	25%	23%	24.2%	8%
VAT	378,077.8	404,359.7	415,116.4	472,639.7	465,831.9	465,831.9
<i>% of Total</i>	34%	34%	35%	36%	34.6%	-1%
Hotel Turnover Tax	-	-	-	6,890.2	13,381.4	13,381.4
<i>% of Total</i>	-	-	-	1%	1.0%	94%
Fees and Charges	48,545.7	58,339.6	58,145.9	57,661.9	64,193.9	64,193.9
<i>% of Total</i>	4%	5%	5%	4%	4.8%	11%
Grants in Aid	1,967.0	3,398.1	4,379.3	2,967.2	3,518.7	3,518.7
<i>% of Total</i>	0.2%	0.3%	0.4%	0.2%	0.3%	19%
Other receipts	50,633.3	47,222.0	45,588.7	32,655.8	31,807.9	31,807.9
<i>% of Total</i>	5%	4%	4%	2%	2.4%	-3%
Reimbursement and Recoveries	-	-	10,173.1	2,946.2	17,981.1	17,981.1
<i>% of Total</i>	-	-	0.9%	0.2%	1.3%	510%
Sales Revenue	-	-	-	26.7	5.9	5.9
<i>% of Total</i>	-	-	-	0.0%	0.4%	-78%
Total Operating Revenue	1,065,562.9	1,176,016.0	1,184,096.0	1,323,478.5	1,347,870.9	1,347,870.9
	10%	10%	1%	12%	2%	2%

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26. Compared to the budgetary estimate of operating revenue of \$1,436,653,921, actual operating revenue amounted to \$1,347,870,927, a decline of \$88,782,994 or 6.2 percent. This decline was largely due to lower collections from Indirect Taxes (VAT, Fiscal Duties, Import Duties, Excise Duties, Hotel Turnover Tax and Miscellaneous Fees & Receipts); Fees, Fines and Charges; and Grant-In-Aids.
27. Customs and Excise collections represented a total of 24.2 percent of operating revenue in 2007. Customs and excise revenue collections were as follows:

	(\$000)	
	Estimates	Actual
Fiscal Duty	230,951.6	201,670.7
Excise Duty	84,947.0	84,297.8
Export Duty	6,474.0	8,266.2
Import Duty	19,306.0	15,691.4
Miscellaneous Fees and Receipts	3,438.1	2,886.5
Total	345,116.7	312,812.6

28. The 2007 Grant-In-Aid receipts totaled \$3,518,679 against an estimate of \$13,377,400 as detailed in the table below. Aid collections were below par since aid received from European Union, Australia and UNDP was below forecast.

	(\$000)	
	Estimate	Actual
1. Australian Development Grant	110.9	31.0
2. New Zealand Bilateral Aid Programme	1,217.3	2,163.0
3. United Nations Development Programme	802.7	154.6
4. European Union	9,000.0	-
5. Japan Government Grants	-	25.0
6. Other Grant Aid	2,246.5	1,145.1
Total Aid Receipts	13,377.4	3,518.7

Capital Revenue

29. Capital revenue receipts for 2007 amounted to \$43,383,515 compared to the revised estimate of \$34,990,400, an increase of \$8,393,115. This was mainly due to the Reserve Bank Profit received amounting to \$10,760,575, and interest earned from J P Morgan Bond amounting to \$6,773,680. However, actual receipts from Sales of Government Assets were zero against the estimate of \$6,000,000 from sales proceed from disposal of investment in infrastructure services (Fiji Television Limited).
30. The components of capital revenue receipts over the five-year period 2003-2007 are illustrated in the table below:

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	(\$000)				
	2003	2004	2005	2006	2007
Repayment of Term Loans Receivable	708.7	242.1	70.6	239.4	39.1
Sale of Government Assets	-	-	0.70	28,000.3	-
Dividends from Investments	17,606.0	20,834.1	23,701.1	27,619.2	21,971.2
Interest from Bank Balances	16,910.1	12,821.9	14,013.2	15,557.6	19,743.2
Return of surplus capital from Investments	267.1	322.5	-	-	1,630.1
Total	35,491.8	34,220.5	37,785.6	71,416.4	43,383.5

EXPENDITURE

31. The 2007 Revised Estimate stood at \$1,842,689,400 during the year. Actual expenditure for the year stood at \$1,726,190,205; reflecting an under expenditure of \$115,621,748 or 6 percent compared to the revised forecast.
32. The composition of actual expenditure is \$1,429,483,249 (83 percent) operating, \$193,683,674 (11 percent) capital expenditure and \$103,023,281(6 percent) VAT, compared with the revised estimate composition of 79 percent operating expenditure, 15 percent capital expenditure and 6 percent VAT.
33. The distribution of actual operating and capital expenditure over the past five years is shown below:

COMPARATIVE STATEMENT OF SPENDING BY SECTORS FOR THE YEARS 2003 - 2007

Sector	2003		2004		2005		2006		2007	
	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget
Operating	257.9		285.6		299.1		354.6		355.9	
Capital	41.2		32.8		41.9		36.0		49.9	
VAT	23.7		24.5		31.2		34.7		25.4	
Tot. Admin	322.8	22.3	343.0	23.2	372.3	23.4	425.3	24.3	431.2	25.0
Operating	397.3		401.4		411.6		442.9		472.0	
Capital	23.0		23.0		21.2		21.0		45.1	
VAT	34.9		33.9		38.2		41.5		54.6	
Tot. Social	455.1	31.5	458.2	31.0	471.0	29.7	505.4	28.9	571.7	33.1
Operating	66.5		68.5		73.1		82.9		83.2	

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Sector	2003		2004		2005		2006		2007	
	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget
Capital	42.6		40.0		48.8		48.4		15.4	
VAT	9.3		8.5		8.3		12.3		10.4	
Total Economic	118.4	8.2	116.9	8.0	130.2	8.2	143.6	8.2	109.0	6.3
Operating	81.8		82.3		83.7		102.4		54.0	
Capital	110.7		97.9		92.4		98.9		49.4	
VAT	22.2		23.1		19.6		22.5		11	
Tot. Infrast.	214.8	14.8	203.2	13.7	195.6	12.3	223.8	12.8	114.4	6.6
Operating	305.7		343.0		406.4		431.4		451.2	
Capital	26.2		11.9		9.2		16.6		47.1	
VAT	3.5		2.8		3.5		2.7		1.6	
Tot. Misc	335.4	23.2	357.8	24.2	419.1	26.4	450.7	25.8	499.9	29
Total Operating	1,109.2		1,180.7		1,273.9		1,414.2		1,416.1	
<i>Total Capital</i>	243.7		205.6		213.5		220.9		207	
VAT	93.6		92.8		100.8		113.6		103.0	
Grand Total	1,446.5		1,479.1		1,588.2		1,748.7		1,726.1	

34. A comparison of the amounts expended on emoluments (salaries) and public debt in relation to total expenditure for the same period is as follows:-

COMPARISON OF EMOLUMENTS (SALARIES) AND PUBLIC DEBT IN RELATION TO TOTAL EXPENDITURE

Year	Personal Emoluments \$m	% of Total	Public Debt \$m	% of Total	Other Charges \$m	% of Total	Total Exp. \$m
2003	497.9	34	237.5	16	711.1	49	1,446.5
2004	519.3	35	278.0	19	681.8	46	1,479.1
2005	467.4	30	328.5	21	792.3	50	1,588.2
2006	565.4	32	334.8	19	848.5	49	1,748.7
2007	522.9	30	405.6	24	797.7	46	1,726.2

35. A comparative table between the revised estimate and actual expenditure for the period 2003 – 2007 is as follows:

Year	Revised Estimate (\$m)	Actual Expenditure (\$m)	Variation (\$m)	%
2003	1,468.7	1,446.5	(22.2)	(1.5)
2004	1,521.1	1,479.1	(42.0)	(2.8)
2005	1,635.9	1,588.2	(47.7)	(2.9)
2006	1,739.6	1,748.7	9.1	0.5
2007	1,841.2	1,726.2	(115.0)	(6)

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36. A summary of the 2007 actual outturn by standard expenditure groups (SEGs) as compared to both its original and revised estimates is presented in the following table:

Standard Expenditure Group	2007 EXPENDITURE BY SEG				
	\$000 Original	\$000 Revised	\$000 Actual	% Variance (Original)	% Variance (Revised)
1. Established Staff	509,100.3	510,245.7	522,911.4	2.7%	2.5%
2. Government Wage Earners	60,812.8	61,205.5	61,737.9	1.5%	0.9%
3. Travel and Communications	17,841.2	18,971.2	19,045.7	6.8%	0.4%
4. Maintenance and Operations	87,645.6	88,862.4	90,094.5	2.8%	1.4%
5. Purchase of Goods and Services	52,646.2	52,776.0	74,508.9	41.5%	41.2%
6. Operating Grants and Transfers	185,420.7	181,870.5	176,984.5	-4.5%	-2.7%
7. Special Expenditure	49,263.8	50,824.2	43,039.6	-12.6%	-15.3%
TOTAL DEPARTMENTAL	962,730.6	964,755.5	988,322.5	2.7%	2.4%
Un-allocable Operating Expenditures					
Pensions, Compassionate Allowances	38,628.2	38,628.2	35,568.2	-7.9%	-7.9%
Charges on Account of Public Debt	447,219.2	447,219.2	405,592.6	-9.3%	-9.3%
TOTAL OPERATING	1,448,578.0	1,450,602.9	1,429,483.3	-1.3%	-1.5%
8. Capital Construction	140,704.1	139,332.1	95,157.4	-32.4%	-31.7%
9. Capital Purchase	17,510.4	17,046.9	11,989.4	-31.5%	-29.7%
10. Capital Grants and Transfers	119,217.7	117,514.6	86,536.9	-27.4%	-26.4%
TOTAL CAPITAL	277,432.2	273,893.6	193,683.7	-30.2%	-29.3%
13. VAT	116,679.3	116,700.1	103,023.3	-11.7%	-11.7%
TOTAL EXPENDITURE	1,842,689.5	1,841,196.6	1,726,190.3	-6.3%	-6.2%

37. The references to variations (under and over expenditure) as highlighted in the succeeding paragraphs refer to those between actual expenditure and revised estimates.

SEG 1 - Established Staff (Over-expenditure - \$12,656,700)

38. The original estimate of \$509.1 million was revised upwards to \$510.2 million during the year. Actual expenditure of \$522.9 million was above the revised estimate by \$12.7 million or 2.5 percent. The most notable over-expenditures under this SEG were recorded in the Fiji Military Forces (\$19,624,577); Police (\$6,967,597) and Health (\$1,764,052). On the other hand, under-spending was recorded in other Ministries and Departments. This includes: Education (\$9,658,543); Agriculture (\$1,329,670); Works (\$1,572,855); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$980,870); Home Affairs and Immigration (\$944,063); Ministry of Land and Mineral Resources (\$421,514); Foreign Affairs (\$495,289) and Public Service Commission (\$477,545).

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SEG 2 – Government Wage Earners (Over-expenditure - \$532,400)

39. The original estimate of \$60.8 million was revised upwards to \$61.2 million during the year. Actual expenditure of \$61.7 million was slightly above the revised estimate by \$0.5 million, which was mainly reflective of the over-expenditures in Health (\$1,927,714); Education (\$253,943); Foreign Affairs (\$355,256); Local Government (\$89,347 and Prisons (\$28,208). The resulting net over expenditure was offset by savings from other Ministries including: Works (\$631,856); Agriculture (\$509,543); Office of the Prime Minister (\$107,561); Finance (\$103,252); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$376,442); and Ministry of Land and Mineral Resources (\$167,441).

SEG 3 - Travel and Communications (Over-expenditure - \$74,500)

40. This SEG recorded an over-expenditure of \$0.07m when comparing actual expenditure of \$19.04 million against the revised estimate of \$18.97 million. The major contributing Ministries to the over-expenditure in this SEG were: Fiji Military Forces (\$1,131,752); Health (\$148,702) and Legislature (\$40,161). However under expenditure was recorded against the following: Finance (\$127,261); Agriculture (\$172,751); Office of the Prime Minister (\$82,087); Judiciary (\$81,461); Information (\$64,728); Ministry of Land and Mineral Resources (\$37,283); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$54,739); Auditor General (\$57,113) and Education (\$40,564).

SEG 4 - Maintenance and Operations (Over-expenditure - \$1,232,100)

41. Actual expenditure of \$90.1million was recorded against a revised estimate of \$88.8 million, resulting in an over spending of \$1.2 million. This was mainly attributed to over-expenditures in the following Ministries and Departments: Local Government (\$1,755,907); Fiji Military Forces (\$1,034,485) and Works (\$659,615). The Ministries and Departments that recorded under spending in this SEG includes: Ministry of Lands and Mineral Resources (\$268,194); Foreign Affairs (\$504,208); Agriculture (\$479,006); Police (\$438,319); Finance (\$313,413); Local Government (\$104,208); Information (\$99,182); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$52,778); Elections (\$69,740); Judiciary (\$52,504); Office of the President (\$49,252) and Home Affairs and Immigration (\$46,612).

SEG 5 - Purchases of Goods and Services (Over-expenditure \$21,732,900)

42. The actual expenditure of \$74.5 million was above the revised estimate of \$52.8 million by \$21.7 million. Substantial over-expenditure was recorded by the: Fiji Military Force (\$26,021,340). On the hand, under-expenditures were recorded in the following ministries: Health (\$2,952,782); Finance (\$487,849); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$194,373); Information (\$179,343); Agriculture (\$141,113) and Home Affairs and Immigration (\$126,422).

SEG 6 - Operating Grants and Transfers (Under-expenditure \$4,886,000)

43. This SEG caters for operating grants and transfers to agencies, organisations and other bodies outside the central Government but are responsible for delivering public services for which they are contracted and bound by performance agreements to perform. An under-expenditure of \$4.9 million was recorded when comparing actual expenditure of \$177 million against a revised estimate of \$182.9 million. The major under spending Ministries were Labour (\$1,659,820); Finance (\$673,702); Office of the Prime Minister (\$538,140); Office of the Prime Minister (\$538,140); PSC (\$336,154); Works (\$437,364); Public Service Commission (\$337,278); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$266,352); Foreign Affairs (\$259,086); Youth (\$210,275); Agriculture (\$171,519); and Education (\$121,369).

SEG 7 - Special Expenditures (under-expenditure - \$7,784,600)

44. This SEG covers special operating expenditures that mostly relate to specific policies or projects that are shown as a separate item or provision. The original budgetary allocation of \$49.3 million was revised upward to \$50.8 million during the year and actual expenditure stood at \$43.0 million resulting in an under spending of \$7.78 million. Notable savings were recorded in the following Ministries: Labour (\$1,291,065); Commerce (\$1,026,474); Agriculture (\$799,405), Youth (\$776,836), Fiji Military Forces (\$590,722), Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$523,141), Local Government (\$547,192), Finance (\$320,181), Health (\$492,101), Foreign Affairs (\$384,979), Legislature (\$219,579), and Attorney General (\$213,026)

SEG 8 - Capital Construction (under-expenditure - \$44,174,700)

45. Actual expenditure came to \$95.2 million compared to revised estimate of \$139.3 million, thus leaving an under-expenditure of about \$44.2 million. The major contributors to the under spending were: Local Government (\$36,351,608); Health (\$3,406,129); Agriculture, (\$2,916,358); Commerce (\$1,000,000); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$825,342); Fiji Military Forces (\$500,000); Labour (\$415,941) and Police (\$361,563).

SEG 9 - Capital Purchases (Under-expenditure - \$5,057,500)

46. This SEG caters for expenditures in relation to purchases of equipment, materials, vehicles etc. that are capital in nature and part of Government's capital expenditure programme. The revised estimate was \$17.05 million compared to actual expenditure of \$12 million and therefore translates to an under-expenditure of \$5.05 million. The major contributors to the under spending were: Finance (\$2,531,358); Works (\$1,200,001); Health (\$579,373); Ministry of Lands and Mineral Resources (\$277,685) and Police (\$205,198).

SEG 10 - Capital Grants and Transfers (Under-expenditure - \$30,977,700)

47. This SEG caters for grants and transfers of a capital nature to agencies, organisations and other bodies outside the central Government that are responsible for delivering Government's public investment policies for which they are contracted and bound by performance agreements to perform. Actual expenditures came to \$86.5 million compared to the revised estimate of \$117.5 million, thus leaving an under-expenditure of \$31 million. Major savings were identified in the following Ministries: Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$13,083,605); Finance (\$9,384,451); Works (\$3,201,642); Women (\$1,606,141); Agriculture (\$1,524,354); Office of the Prime Minister (\$1,014,433) and Commerce (\$679,985).

SEG 11 - Pensions, Gratuities and Compassionate Allowances (Under-expenditure - \$3,060,040)

48. The original and revised estimate was \$38.6 million compared against the actual expenditure of \$35.6 million, and therefore resulting in an under-expenditure of \$3.1 million.

SEG 12 - Charges on Account of Public Debt (Under-expenditure - \$41,626,600)

49. Actual expenditure under this category amounted to \$405.6 million, which is about 9.3 percent or \$41.6 million below the revised estimate of \$485.8 million. Major under-spending occurred in the Overseas Loans - Interest payment category (\$1,236,653) and Overseas Loans - Principal repayments (\$47,571,702); which offsets the overspending recorded in Treasury Bills Issues (\$8,817,012).

SEG 13 - VAT (Under-expenditure - \$13,676,800)

50. Actual expenditure amounted to \$103 million, compared to the revised estimate of \$116.7 million, therefore leaving an under-expenditure of \$13.7 million or 11.7 percent. Significant under spending were made by: Local Government, (\$5,021,187); Finance (\$1,549,812); Works (\$874,305); Fiji Military Forces (\$1,108,575); Ministry of Lands and Mineral Resources (\$466,554); Agriculture (\$815,458); Ministry of Fijian Affairs, Culture and Heritage, Provincial Development (\$526,249); Fisheries and Forests (\$466,554); PSC (\$269,237); Office of the Prime Minister (\$233,054); Home Affairs and Immigration (\$277,397); Foreign Affairs \$9234,8220; Women (\$280,264); and Police (\$2,368,643). A notable over-spending was recorded in Health (\$1,709,442) on the other hand.

GOVERNMENT OF THE REPUBLIC OF FIJI

V. Domestic and External Loans

51. Domestic borrowings totaled \$100,536,321 in 2007. In all, there were 9 development loans, which opened and closed on the same day. All stocks were offered at par.

52. The date the loans were opened, the investment period and interest offered, and total cash subscriptions are shown on the table below;

Loan	Date	Investment Period & Interest Rate Offered (%)						Cash Subscription
		2009-2010	2010-2012	2012-2014	2014-2017	2018-2022	2023-2027	
Loan No.1	10-Jan-07	0	0	0	0	13.58	0	\$9,202,190
Loan No.2	24-Jan-07	0	0	0	0	13.60	0	\$15,000,000
Loan No.3	14-Feb-07	0	0	0	0	13.59	0	\$14,997,426
Loan No.4	11-Apr-07	8.25	7.73	10.40	8.79	12.31	0	\$9,333,860
Loan No.5	8-Jun-07	0	7.50	9.50	8.75	9.00	0	\$10,000,000
Loan No.6	17-Aug-07	3.50	6.25	6.75	7.45	7.85	0	\$10,000,000
Loan No.7	21-Sep-07	3.00	6.00	6.50	6.73	6.83	0	\$12,000,485
Loan No.8	-	0	0	0	0	0	0	0
Loan No.9	14-Dec-07	0	0	6.20	6.39	6.58	6.97	\$20,002,360

Drawdown of External Loans

ADB Loan No.1530 – Fiji Road Upgrading Stage III Project

53. Drawings in 2007 amounted to \$9,289,838.56 with variable interest rate

ADB Loan No.2055 – Suva/Nausori Water Supply and Sewerage Project

54. Drawings in 2007 amounted to \$10,384,918.78 with variable interest rate

ADB Loan No.2158 – Alternative Livelihood Project

55. Drawings in 2007 amounted to \$181,050.19 with variable interest rate

VII PUBLIC DEBT

(a) The raising of the following new loans:

- (i) The 2007 FDL Loan No.1 for \$9,200,000
- (ii) The 2007 FDL Loan No.2 for \$15,000,000
- (iii) The 2007 FDL Loan No.3 for \$15,000,000
- (iv) The 2007 FDL Loan No.4 for \$9,327,500
- (v) The 2007 FDL Loan No.5 for \$10,000,000
- (vi) The 2007 FDL Loan No.6 for \$10,000,000
- (vii) The 2007 FDL Loan No.7 for \$12,000,000
- (viii) The 2007 FDL Loan No.9 for \$20,000,000
- (ix) Treasury Bills of a total par value of \$685,889,234 of which the par value of unredeemed bills at the end of 2006 was \$141,160,433 compared with an unredeemed value at the end of 2006 of \$141,311,687.

GOVERNMENT OF THE REPUBLIC OF FIJI

(b) The drawdown of funds in respect of previously contracted loans were as follows:

- (i) US\$5,785,424.38– ADB Loan No.2055 Suva/Nausori Water Supply & Sewerage Project
- (ii) US\$5,909,040.75 – ADB Loan No.1530 Fiji Road Upgrading Project Stage III
- (iii) US\$109,532.70 – ADB Loan No.2158 Alternative Livelihood Project

(c) The repayment of principal and redemption of bonds and debentures of which the following were of major significance:

- (i) \$3,700,000 – 1993 Fiji Development Loan No. 4
- (ii) \$4,100,000 - 1993 Fiji Development Loan No. 5
- (iii) \$2,792,000 - 1994 Fiji Development Loan No. 1
- (iv) \$5,000,000 – 1994 Fiji Development Loan No. 3
- (v) \$4,000,000 – 1994 Fiji Development Loan No. 5
- (vi) \$8,000,000 – 1994 Fiji Development Loan No. 6
- (vii) \$1,900,000 – 1995 Fiji Development Loan No. 8
- (viii) \$5,000,000 – 1997 NBF/AMB Fiji Development Loan No. 1
- (ix) \$5,000,000 – 1997 NBF/AMB Fiji Development Loan No. 3
- (x) \$4,850,000 – 1997 NBF/AMB Fiji Development Loan No. 5
- (xi) \$8,000,000 – 1997 NBF/AMB Fiji Development Loan No. 9
- (xii) \$5,100,000 – 1997 Fiji Development Loan No.1
- (xiii) \$3,050,000 – 1998 Fiji Development Loan No.2
- (xiv) \$6,000,000- 1998 Fiji Development Loan No.5
- (xv) \$3,000,000- 2000 Fiji Development Loan No.1
- (xvi) \$3,000,000- 2000 Fiji Development Loan No.2
- (xvii) \$3,000,000- 2000 Fiji Development Loan No.3
- (xviii) \$3,000,000- 2000 Fiji Development Loan No.4
- (xix) \$3,000,000- 2000 Fiji Development Loan No.6
- (xx) \$3,000,000- 2000 Fiji Development Loan No.7
- (xxi) \$3,000,000- 2000 Fiji Development Loan No.8
- (xxii) \$3,000,000- 2000 Fiji Development Loan No.9
- (xxiii) \$3,000,000- 2000 Fiji Development Loan No.10
- (xxiv) \$4,000,000- 2000 Fiji Development Loan No.11
- (xxv) \$3,000,000- 2000 Fiji Development Loan No.12
- (xxvi) \$4,000,000- 2000 Fiji Development Loan No.13
- (xxvii) \$4,000,000- 2000 Fiji Development Loan No.14
- (xxviii) \$5,000,000- 2002 Fiji Development Loan No.1
- (xxix) \$3,000,000- 2002 Fiji Development Loan No.2
- (xxx) \$3,000,000- 2002 Fiji Development Loan No.3
- (xxxi) \$3,000,000- 2002 Fiji Development Loan No.4
- (xxxii) \$4,000,000- 2002 Fiji Development Loan No.5
- (xxxiii) \$4,000,000- 2002 Fiji Development Loan No.6
- (xxxiv) \$4,000,000- 2002 Fiji Development Loan No.7
- (xxxv) \$4,000,000- 2002 Fiji Development Loan No.8
- (xxxvi) \$3,000,000- 2002 Fiji Development Loan No.9
- (xxxvii) \$3,000,000- 2002 Fiji Development Loan No.10
- (xxxviii) \$3,000,000- 2002 Fiji Development Loan No.11

GOVERNMENT OF THE REPUBLIC OF FIJI

- (xxxix) \$3,000,000- 2002 Fiji Development Loan No.12
- (xl) \$2,000,000- 2002 Fiji Development Loan No.13
- (xli) \$3,000,000- 2002 Fiji Development Loan No.14
- (xlii) \$2,000,000- 2002 Fiji Development Loan No.15
- (xliii) \$3,000,000- 2002 Fiji Development Loan No.16
- (xliv) \$2,000,000- 2002 Fiji Development Loan No.17
- (xlv) \$3,000,000- 2002 Fiji Development Loan No.18
- (xlvi) \$3,000,000- 2003 Fiji Development Loan No.19
- (xlvii) \$1,000,000- 2004 Fiji Development Loan No.1
- (xlviii) \$2,000,000- 2004 Fiji Development Loan No.2
- (xlix) \$1,500,000- 2004 Fiji Development Loan No.3
- (l) \$2,000,000- 2004 Fiji Development Loan No.4
- (li) \$1,000,000- 2004 Fiji Development Loan No.5
- (lii) \$2,000,000- 2004 Fiji Development Loan No.6
- (liii) \$2,400,000- 2004 Fiji Development Loan No.7
- (liv) \$1,000,000- 2004 Fiji Development Loan No.8
- (lv) \$0,600,000- 2004 Fiji Development Loan No.9
- (lvi) \$0,600,000- 2004 Fiji Development Loan No.10
- (lvii) \$1,100,000- 2004 Fiji Development Loan No.11
- (lviii) \$1,000,000- 2004 Fiji Development Loan No.12
- (lix) \$2,000,000- 2004 Fiji Development Loan No.13
- (lx) \$1,500,000- 2004 Fiji Development Loan No.14
- (lxi) \$600,000- 2004 Fiji Development Loan No.15
- (lxii) \$600,000- 2004 Fiji Development Loan No.16
- (lxiii) \$2,000,000- 2004 Fiji Development Loan No.17
- (lxiv) \$1,500,000- 2004 Fiji Development Loan No.18
- (lxv) \$1,500,000- 2004 Fiji Development Loan No.19
- (lxvi) \$2,000,000- 2004 Fiji Development Loan No.20
- (lxvii) \$1,000,000- 2004 Fiji Development Loan No.21
- (lxviii) \$1,600,000- 2004 Fiji Development Loan No.22
- (lxix) \$1,000,000- 2004 Fiji Development Loan No.23
- (lxx) \$2,000,000- 2004 Fiji Development Loan No.24
- (lxxi) \$3,000,000- 2004 Fiji Development Loan No.25
- (lxxii) EUR 97,755 – 1979 EEC Loan No.80042 Vanua Levu Road
- (lxxiii) EUR 17,768.97 - 1979 EEC Loan No.80043 Regional
Telecommunications
- (lxxiv) EUR 25,725 – 1979 EEC Loan No.80046 Outer Island Airstrips
- (lxxv) EUR 44,121.11-1979 EEC Loan No.80047 Outer Island Jetties
- (lxxvi) EUR 30,870 – 1979 EEC Loan No.80051 Native Land Development
Corporation
- (lxxvii) EUR 59,189 – 1984 Netherlands Investment Bank Loan
- (lxxviii) JPY248,147,660– 1986 ADB Loan No. 703 Agricultural Development
Project
- (lxxix) JPY148,633,031 – 1987 ADB Loan No.781 Sigatoka Valley Rural
Development Project
- (lxxx) JPY107,074,000 – 1988 ADB Loan No.912 Road Sector Maintenance
Project
- (lxxxii) EUR 92,620.78 – 1989 French Government Treasury Loan
- (lxxxii) EUR 91,294.48 – 1990 EEC Loan No.80309 Rural Electrification
Programme
- (lxxxiii) JPY103,643,000 – 1990 ADB Loan No.1005 Housing Authority Project

GOVERNMENT OF THE REPUBLIC OF FIJI

- (lxxxiv) JPY 57,931,802 - 1991 IBRD Loan No.3188 Housing Authority Project
- (lxxxv) JPY103,643,000 – 1993 ADB Loan No.1164 Fiji Road Upgrading Project II
- (lxxxvi) US\$1,235,200 – 1993 IBRD Loan No. 3491 Fiji Road Upgrading Project II
- (lxxxvii) JPY47,074,000 – 1993 JBIC Exim Loan Fiji Road Upgrading Project II
- (lxxxviii) US\$384,045.39 - 1998 ADB No.1530 Fiji Road Upgrading Project III Loan
- (lxxxix) EUR12,618 – 1998 EIB Loan No.71098 Natadola Marine Resort Project
- (xc) EUR57,189.10– 1998 EIB Loan No.8033 Investment and Export Development Project
- (xci) JPY16,852,000- 1998 JBIC Nadi/Lautoka Regional Water Supply

VIII CONCLUSION

Finally, I would like to express the appreciation of both the Minister of Finance, National Planning, Sugar Industry & Public Utilities and I for the support and co-operation given to us by all members of the staff in the compilation and preparation of this report.



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Peceli Vocea

Permanent Secretary for Finance, National Planning, Sugar Industry & Public Utilities



WHOLE OF GOVERNMENT
FINANCIAL STATEMENTS, ANNUAL APPROPRIATION
STATEMENT AND ANNUAL BUDGET STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

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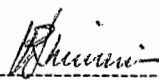
GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF ASSETS & LIABILITIES
AS AT 31 DECEMBER 2007

Schedule 1

	Notes	31 December 2007 \$	31 December 2006 \$
CURRENT ASSETS			
Cash at Bank	2	42,307,686	269,749,693
Investments JP MORGAN	3	429,861,896	429,778,664
TOTAL ASSETS		<u>472,169,582</u>	<u>699,528,357</u>
CURRENT LIABILITIES			
Trust Fund Account	4	64,442,713	68,179,803
TOTAL LIABILITIES		<u>64,442,713</u>	<u>68,179,803</u>
NET ASSETS		<u>407,726,869</u>	<u>631,348,554</u>
CONSOLIDATED FUND	refer Schedule 2	<u>407,726,869</u>	<u>631,348,554</u>

The accompanying notes form an integral part of these financial statements.

Ministry of Finance and National Planning
 Suva, Fiji
 31 October 2008



 Peni Sikivou
 Acting Permanent Secretary for Finance
 and National Planning

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
CONSOLIDATED FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 2

	Notes	31 December 2007 \$	31 December 2006 \$
RECEIPTS			
Operating Revenue	5	925,422,452	928,466,999
Value Added Tax	6	465,831,990	472,639,707
Borrowings	7	118,862,870	633,884,155
Treasury Bills Raised	8	685,889,234	528,715,414
Ways & Means	9	260,200,000	373,200,000
Receipts from Debtors	10	6,628,477	9,239,566
Capital Gain	11	83,232	---
Revolving Fund Account Net Receipts	12	---	15,582,906
TOTAL RECEIPTS		<u>2,462,918,256</u>	<u>2,961,728,746</u>
PAYMENTS			
Operating Expenditure	13	1,023,890,682	1,088,878,569
Capital Expenditure	14	193,683,674	212,641,756
Value Added Tax	15	103,023,281	113,689,054
Repayment of Loans	16	405,592,568	334,260,535
Redemption of Treasury Bills	8	686,040,488	523,422,114
Ways & Means	9	260,200,000	373,200,000
Loans made to Debtors	17	590,967	10,847,659
Revolving Fund Account Net Payments	12	34,651,971	---
Capital Loss	11	---	5,429,553
TOTAL PAYMENTS		<u>2,707,673,631</u>	<u>2,662,369,240</u>
Deficit for the year		(244,755,376)	299,359,506
Correction of Fundamental Errors	18(b)	21,133,691	(59,539,281)
Balance as at 1 January		<u>631,348,554</u>	<u>391,528,329</u>
Balance as at 31 December	refer Schedule 1	<u>407,726,869</u>	<u>631,348,554</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 TRUST FUND
 STATEMENT OF RECEIPTS & PAYMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 3

	Notes	31 December 2007 \$	31 December 2006 \$
RECEIPTS			
Trust Fund Receipts		<u>249,698,190</u>	<u>227,814,527</u>
TOTAL RECEIPTS		<u>249,698,190</u>	<u>227,814,527</u>
PAYMENTS			
Trust Fund Payments		<u>253,435,279</u>	<u>208,059,121</u>
TOTAL PAYMENTS		<u>253,435,279</u>	<u>208,059,121</u>
(Deficit)/Surplus for the year		(3,737,089)	19,755,406
Balance as at 1 January		<u>68,179,803</u>	<u>48,424,397</u>
Balance as at 31 December	4	<u>64,442,713</u>	<u>68,179,803</u>

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting**

These whole of government financial statements have been prepared in accordance with section 46 of the Financial Management Act 2004. As full accrual information, including the value of assets and liabilities, is not yet available, the statements have been prepared on a cash basis of accounting.

The Financial Management Act 2004 abolished the six separate accounts within the Consolidated Fund in order to give a clearer, consolidated view of the overall financial transactions and balances of the Government.

Accordingly, these financial statements report the receipts and payments and financial assets and liabilities on a consolidated basis. This is in accordance with the Government's move towards accrual accounting and the adoption of international accounting and statistical reporting standards.

The statements are therefore in a significantly different format from that used in previous years' Accounts and Finance reports. Where necessary, and to the extent practicable, previous year figures have been recast to provide a valid comparison.

b) **Consolidated Fund Account**

Revenue, borrowings and other Public Money is paid into the Consolidated Fund and kept in one of the bank accounts listed in Note 2. These accounts are managed centrally to allow for efficient cash management. The Consolidated Fund also holds Other Money for cash management purposes.

As well, some public money is kept outside the Consolidated Fund in accordance with particular legislation. These "extra-budgetary funds" are:

- regulatory fees collected and retained by the Land Transport Authority;
- regulatory fees collected and retained by the Ministry of Labour and Industrial Relations in the OHS Education and Accident Prevention Trust Fund.

Public money can only be withdrawn from the Consolidated Fund in accordance with an appropriation from Parliament. When passing the annual Budget, Parliament approves the Heads of Appropriation by enacting the annual Appropriation Act. Details of the appropriation categories within each Head are set out in the Estimates which are also part of the Budget papers.

Each Head of Appropriation is administered by a particular agency and is the responsibility of the agency's chief executive officer. Within the Head of Appropriation for an agency, expenditure is accounted for against appropriation categories (output groups and outputs) and Standard Expenditure Groups (SEGs). Payments are made for operating expenditure (SEGs 1 to 7), capital expenditure (SEGs 8 to 10). Value-added tax paid by agencies is charged to SEG 13. Debt repayments are accounted for against a separate Head of Appropriation. Loans and advances are the responsibility of various agencies and are accounted for against the revolving appropriation.

Receipts and payments are generally accounted for on a gross basis, instead of being offset. In previous years, revenue paid into one of the Revolving Fund Accounts within the Consolidated Fund was offset against expenditure. Most of the transactions within these accounts related to revenue earned by trading and manufacturing activities.

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007	31 December 2006
	\$	\$

This report includes a Statement of Receipts and Payments and a Statement of Assets and Liabilities for the Trust Accounts.

These statements differ from the Consolidated Trust Fund statements in previous years' Accounts and Finances reports. This is because the Consolidated Trust Fund contained public money and other money, as well as "true" trust money. The trust account statements in this report only account for "true" trust money. Public money and other money previously accounted for in the Consolidated Trust Fund is now included in the Consolidated Fund, together with public money and other money generally.

c) Scope

These financial statements include the transactions and balances of budget sector agencies – that is, those that are funded from the Consolidated Fund.

The statements do not yet include off-budget state entities which are also part of the general government sector, as defined in the standards for government finance statistics. The main entity of this type is the Land Transport Authority. In addition, the expenditure of the Fiji Inland Revenue and Customs Authority is shown as a grant rather than being allocated to the various types of expenditure.

In future, it is proposed to adopt the government finance statistics standards. Amongst other things, this will mean expanding the scope of these statements beyond the Consolidated Fund to cover the whole general government sector, followed by the public enterprise sector.

2. CASH AT BANK

All Government Ministries/Departments use several bank accounts for their operations but these are cleared daily. There is another bank account that is used solely by entities which operate quasi-commercial activities.

Funds held by overseas banks are for the various Fiji Embassies, Trade Missions and peacekeeping forces.

The balance of Unpresented Cheques for Ministries/Departments in the Statement of Cash and Bank Balances represent the total value of Cheques that were issued but have not been presented to the banks as at the end of the financial year.

Description of Account		
Domestic Account	56,774,511	70,524,396
Overseas Agencies	52,855,117	252,544,849
Trading and Manufacturing Account	6,264,251	7,181,637
Less: Unpresented Cheques	<u>(73,586,193)</u>	<u>(60,501,189)</u>
Net Cash	<u>42,307,686</u>	<u>269,749,693</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
3. INVESTMENTS		
<p>Section 55 of the Financial Management Act 2004 provides the authority for the investment of Government moneys through fixed deposit with any bank, in any securities in which trustees are authorised to invest under the Trustee Act, in any security issued by any statutory body in Fiji and as advances authorised by Finance Act and any other Act or by resolution of the House of Representatives.</p> <p>Investments as at year end were as follows:</p>		
Investment Category		
Fully Commercial Co. (Profitable)	334,768,883	334,704,043
Fully Commercial Co. (Non-Profitable)	77,243,721	77,243,721
Semi-Commercial (Agro based)	9,428,606	9,410,214
Dormant Companies	2,000,000	2,000,000
Companies in Liquidation	6,420,686	6,420,686
Total Investments	<u>429,861,896</u>	<u>429,778,664</u>

4. TRUST FUND ACCOUNT

Section 25(1) of the Financial Management Act makes provision for the establishment of a Consolidated Trust Account to record all monies received by the government in trust except for monies received and administered by the Public Trustee or the Official Receiver.

The Act further stipulates that all monies which do not belong to but received and administered by Government shall be accounted for in the Consolidated Trust Fund, which shall not constitute a part of the Consolidated Fund. The authority to open and operate a trust fund is vested with the Chief Accountant.

The Consolidated Trust Fund Account records monies received by the Government which do not belong to it and is therefore considered a liability of Government. Closing balances in this account comprised the following:

Category		
Trust Funds	32,637,944	24,422,016
Trust Funds/Payroll Deductions	34,797,537	45,364,314
Less: Overdrawn Accounts	(2,992,767)	(1,606,527)
Total Trust Fund Account	<u>64,442,713</u>	<u>68,179,803</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
5. OPERATING REVENUE		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	438,337,401	446,090,420
Indirect Taxes	326,193,975	308,490,646
Fees, Fines & Charges	64,193,858	60,658,241
Operating Revenue - Sales	5,938	26,665
Other Receipts	31,807,970	32,655,762
Reimbursements & Recoveries	17,981,117	2,729,233
Grant Aid	3,518,679	6,399,601
Dividends from Investments	21,971,159	27,619,234
Repayments of Term Loans Receivable	39,121	239,394
Sale of Government Assets	---	28,000,255
Interest from Bank Balances	19,743,155	15,557,550
Return of Surplus Capital from Investment	1,630,080	---
Total Operating Revenue	<u>925,422,452</u>	<u>928,467,001</u>
6. VALUE ADDED TAX RECEIPTS	<u>465,831,990</u>	<u>472,639,707</u>

These are the VAT revenue collected by the Fiji Islands Revenue & Customs Authority during the year.

7. BORROWINGS

eight new loans were raised during the year locally, with their respective repayment periods ranging from 2008 to 2021 whilst two overseas loans were drawn from loans that had been approved in previous years but were yet to be fully drawn.

<i>Domestic Loans</i>	<u>100,536,321</u>	<u>356,778,570</u>
	100,536,321	356,778,570
<i>Overseas Loans</i>		
ADB Fiji Road Upgrading III	9,289,839	---
ADB Suva/Nausori Water Supply & Sewage Project	9,036,711	15,771,635
ADB Alternative Livelihood Project	---	873,950
Fiji Government Global Borrowing	---	260,460,000
Total Overseas Borrowings	<u>18,326,549</u>	<u>277,105,585</u>
TOTAL BORROWINGS	<u>118,862,870</u>	<u>633,884,155</u>

In addition to the above cash loans raised during the year, the following lists the non-cash loans and other loan payables (interest and commitment fee) due:

China EximBank - E - Government	---	5,140,575
ADB Alternative Livelihood Project	181,050	72,973
ADB Suva/Nausori Water Supply & Sewage Project	1,348,208	939,627
Total Non-Cash Overseas Borrowings	<u>1,529,258</u>	<u>6,153,175</u>

8. TREASURY BILLS

The Government through the Reserve Bank of Fiji floats Treasury Bills to raise funds from the domestic market on a short term basis. Treasury Bills are sold at a discount from their face value of which the investor will receive the face value upon maturity.

Treasury Bills Issues during the year	<u>685,889,234</u>	<u>528,715,414</u>
Treasury Bills Redemptions during the year	<u>686,040,488</u>	<u>523,422,114</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
9. WAYS AND MEANS		
The Ways and Means is a short term advance facility provided by the RBF for Government where advances are given to Government for a day to meet cash deficits. The Ways and Means are replenished the day after the advances were made.		
Ways and Means Receipts	260,200,000	373,200,000
Ways and Means Repayments	260,200,000	373,200,000

10. RECEIPTS FROM DEBTORS

Section 17 of the Finance Act makes provisions for a Lending Fund Account to record all moneys lent by the Government to approved borrowers. Funds are appropriated from the Operating Fund Account to finance the operation of the Lending Fund Account. The recoveries from entities that have borrowed monies from the Government through the Lending Fund is as follows:

Advances to Public Officers	7,133	144,946
Consumer Co-operative Societies	12,092	10,620
Copra Industry for Stabilisation of Earnings	170,005	24,987
Tertiary Education	4,065,951	1,798,880
Private Students	599,508	5,885,345
Advances to Ministers and Members of Parliament	35,356	732,161
Students Loan Scheme	1,380,997	425,646
Posts and Telecommunications	---	149,754
Viti Corp Limited	---	37,833
Fiji Sports Council	357,435	---
	<u>6,628,477</u>	<u>9,210,172</u>
Interest	39,121	29,394
Total Receipts from Debtors	<u>6,667,598</u>	<u>9,239,566</u>

11. CAPITAL GAIN/LOSS

The capital gain resulted from the inclusion of three term deposits with Westpac Banking Corporation, Fiji Development Bank and JR Morgan account (overseas bank account). Also the market value of Government investments in Unit Trust and Pacific Forum Line Limited increased due to the favourable exchange rate fluctuations at year end.

Capital Gain	83,232	---
Capital Loss	---	5,429,553

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
12. REVOLVING FUND ACCOUNT		
<p>Section 57 of the Finance Act allows the Minister to allocate an amount not exceeding \$18,000,000 for the operation of the Revolving Fund Accounts. Ministries/Departments operating Revolving Fund Accounts have to operate within a ceiling set by the Minister. The limit for the Revolving Fund Accounts in 2007 was \$15,322,000.</p> <p>The Revolving Fund Account is made up of the Inter-Departmental Clearance Account (IDC), Imprest, Miscellaneous, Other Administration and the Trading and Manufacturing Accounts. The IDC and Imprest Accounts are cleared to zero at the end of the year. The Trading and Manufacturing Accounts (TMA) are created for the purpose of operating quasi-commercial operations of Ministries and Departments.</p>		
a) <i>Revolving Fund Receipts:</i>		
Revolving Fund Account - Imprests	106,842	129,787
Revolving Fund Account - Other Admin	2,570	12,822
Revolving Fund Account - Miscellaneous	116,721,042	145,111,943
Revolving Fund Account - Inter-Departmental Clearance	2,290,609,455	2,636,428,029
Revolving Fund Account - TMA:		
Fiji Islands Maritime Safety Administration	16,766	23,818
Fiji Military Forces	158,055	215,549
Government Printing & Stationery Department	2,323,859	7,653,929
Government Supplies Department	10,547,331	12,653,126
Ministry of Agriculture & Land Resettlement	460,695	839,073
Ministry of Fisheries and Forests	139,448	103,720
Ministry of Health	282,332	475,071
Ministry of Trade & Commerce	11,380	13,081
Public Works and Infrastructure	16,098,507	15,864,925
Total	<u>2,437,478,282</u>	<u>2,819,524,873</u>
b) <i>Revolving Fund Payments:</i>		
Revolving Fund Account - Imprests	104,419	129,787
Revolving Fund Account - Other Admin	53,511	86,500
Revolving Fund Account - Miscellaneous	148,398,921	157,625,548
Revolving Fund Account - Inter-Departmental Clearance	2,290,609,455	2,636,428,029
Revolving Fund Account - TMA:		
Fiji Islands Maritime Safety Administration	7,791	4,014
Fiji Military Forces	154,200	325,224
Government Printing & Stationery Department	1,444,974	7,102,615
Government Supplies Department	16,349,424	(16,063,954)
Ministry of Agriculture & Land Resettlement	388,180	717,530
Ministry of Fisheries and Forests	58,005	80,236
Ministry of Health	220,857	418,329
Ministry of Trade & Commerce	7,528	6,186
Public Works and Infrastructure	14,332,988	17,081,923
Total	<u>2,472,130,253</u>	<u>2,803,941,967</u>
Revolving Fund Account Net (Payments)/Receipts	<u>(34,651,971)</u>	<u>15,582,906</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
13. OPERATING EXPENDITURE		
The operating expenditure of Government includes the following:		
Established Staff	522,911,393	564,497,107
Unestablished Staff	61,737,896	67,030,559
Travel and Communications	19,045,742	20,951,821
Maintenance and Operations	90,094,524	94,550,308
Purchase of Goods and Services	74,508,884	61,337,394
Operating Grants and Transfers	176,984,457	184,326,332
Special Expenditures	43,039,626	59,684,802
Pensions, Gratuities and Compassionate Allowances	35,568,160	36,500,246
Total Operating Expenditure	<u>1,023,890,682</u>	<u>1,088,878,569</u>
14. CAPITAL EXPENDITURE		
Capital Expenditures of Government includes on capital constructions works; purchases of property, plant and equipment and capital grants & transfer payments.		
Capital Construction	95,157,370	128,882,179
Capital Purchase	11,989,440	15,859,409
Capital Grants and Transfers	86,536,864	67,900,168
Total Capital Expenditures	<u>193,683,674</u>	<u>212,641,756</u>
15. VALUE ADDED TAX EXPENDITURE	<u>103,023,281</u>	<u>113,689,054</u>
These are the VAT payments made by Ministries/Departments to the Fiji Islands Revenue & Customs Authority during the year.		
16. REPAYMENTS OF LOANS		
Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans and principal repayments on these loans.		
<i>Interest Payments:</i>		
Overseas Loans	22,201,747	5,737,600
Domestic Loans	148,023,033	129,455,783
Treasury Bills	10,817,012	5,746,278
<i>Total Interest Paid</i>	<u>181,041,792</u>	<u>140,939,661</u>
<i>Principal Repayments:</i>		
Overseas Loans	17,126,498	13,459,979
Domestic Loans	204,992,000	177,500,000
<i>Total Principal Repayments</i>	<u>222,118,498</u>	<u>190,959,979</u>
Others	2,432,279	2,360,894
Total Charges on Account of Public Debt	<u>405,592,568</u>	<u>334,260,534</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
17. NEW AND ADDITIONAL LOANS		
Additional loans and new loans that were provided in 2007 from recurrent loan provisions include the following:		
Advances to Public Officers	5,605	97,940
Consumer Co-operative Societies	11,277	8,476
Copra Industry for Stabilisation of Earnings	53,466	876,119
Tertiary Education	17,194	3,318,079
Advances to Ministers and Members of Parliament	-	772,799
Students Loan Scheme	421,855	984,962
Private Students	81,295	2,474,193
Fiji Sports Council	-	415,091
Rewa Rice Limited	-	1,900,000
Fiji Development Bank	275	
Total Loans Given	<u>590,967</u>	<u>10,847,659</u>

18. ADJUSTMENTS

<i>Correction of Fundamental Errors</i>	<u>21,133,691</u>	<u>(59,539,279)</u>
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These are unsubstantiated understated expenditures arising from adjustments of the General Ledger for Cash at Bank.

19. OUTSTANDING DEBT OF GOVERNMENT

Government borrows monies either domestically or from overseas to finance its Capital Programmes. Total debt of Government outstanding as at 31/12/07 are as follows:

Domestic Loans	2,196,208,150	2,300,672,650
Treasury Bills	141,160,433	141,311,687
Overseas Loans	390,113,454	410,758,267
Total Government Debt	<u>2,727,482,037</u>	<u>2,852,742,604</u>

In addition to the above cash loans, other loan-in-kind are also outstanding as at 31/12/07:

Overseas Loans	6,989,930	5,970,933
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GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 4

	31 December 2007 \$	31 December 2006 \$
20. ARREARS OF REVENUE		
<p>Arrears of revenue for the government comprises of unpaid taxes by individuals and businesses as well as revenue owed to Ministries and Departments in the form of fees, fines, licences and charges.</p> <p>The Arrears of Revenue position of Government as at 31/12/07 are as follows:</p>		
Agriculture	4,060,579	4,085,671
Auditor-General	424,929	361,710
Communications	97,918	123,651
Co-operatives	62,304	59,647
Customs and Exercise	3,599,648	3,351,704
Education, Women, Culture, Science and Technology	4,849	4,648
Fiji Islands Maritime Safety Administration	118,531	50,341
Fiji Islands Revenue & Customs Authority	105,407,504	170,440,587
Fijian Affairs, Heritage & Culture and Regional Development	455,065	283,084
Finance	474,063	382,947
Government Printing and Stationery Department	116,519	365,986
Government Supplies Department	423,605	161,784
Health	874,258	651,576
Immigration	12,376	12,489
Information Technology & Computing Services	9,114	---
Judicial	9,487,238	9,093,128
Labour and Industrial Relation	91,185	39,365
Lands Crown Rent	11,164,679	9,065,024
Loans: <i>Rewa Rice Ltd.</i>	225,382	225,382
Meteorological Services	4,297,547	6,197,334
Police	8,131	---
Prisons	912	---
Public Works and Infrastructure	29,636,128	27,844,032
MFO Sinai	1,325,031	4,426,220
Total Arrears of Revenue	<u>172,377,495</u>	<u>237,226,310</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
 AS AT 31 DECEMBER 2007

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2007	Liability as at 31/12/2007
			\$	\$
SECTION A -				
Fiji Development Bank	Guarantee of Loans Raised	Approval of House of Representatives 22/02/02; 20/02/03; 30/11/04; 28/11/05; 26/11/06.....	415,168,199	415,168,199
Fiji Electricity Authority	Guarantee of Loans Raised	Approval of House of Representatives Loan Guarantee Decree 1991; IGCP6/02/2001; 16/10/03; 18/08/05.....	230,000,000	156,171,854
Fiji Hardwood Corporation	Guarantee of Loan Raised	Approved of the House of Representatives 16/10/03; 09/08/06.....	12,800,000	12,800,000
Fiji National Provident Fund	Guarantee of Contributors	Act No. 19 of 1966 Section 9.....	2,481,084,497	2,481,084,497
Fiji Pine Limited	Guarantee of Loans Raised	Approval of House of Representatives dated 06/12/1994; 17/08/05.....	15,700,000	11,887,139
Fiji Sports Council	Guarantee of Loans Raised	Approval of House of Representatives dated 18/09/1995.....	2,990,000	1,412,065
Fiji Sugar Corporation	Guarantee of Loans Raised	Approval of House of Representatives 03/03/99, 07/12/01; 25/03/03; 01/04/04; 20/09/04; 17/02/05; 10/08/06.....	126,000,000	32,650,770
Housing Authority	Guarantee of Loans Raised	Approval of House of Representatives 24/10/02; 27/08/03; 29/11/05.....	142,000,000	106,513,525
Fiji Ports Corporation Limited	Guarantee of Loans Raised	Approval of House of Representatives 17/09/79; Decree No. 22 of 04/08/89; Decree No. 41 of 14/10/91; 23/05/02	48,566,570	41,434,008
National Bank of Fiji	Guarantee of Depositors	Act No. 14 of 1996.....	7,159,221	7,159,221
Pacific Fishing Company Limited	Guarantee of Standby Credit Facility	Approval of House of Representatives 02/01/97, 31/08/00	4,109,700	2,436,412
Public Rental Board	Guarantee of Loans Raised	Decree No. 8 of 20/03/90, Decree No. 9 of 20/03/90; House of Representatives 02/12/02	17,000,000	5,961,893
Section A Total.....			3,502,578,188	3,274,679,584

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
 AS AT 31 DECEMBER 2007

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2007	Liability as at 31/12/2007
SECTION B-				
International Agencies-				
Asian Development Bank	Subscription for Membership	Resolutions of Legislative Council 24/3/70; Act No. 34 of 1974.....	\$ 26,626,716	\$ 26,626,716
International Bank for Reconstruction & Development	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	24,581,693	24,581,693
International Development Association	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	507,091	507,091
Section B Total.....			51,715,500	51,715,500

SUMMARY -

Section A	3,502,578,188	3,274,679,584
Section B	51,715,500	51,715,500
Total	3,554,293,688	3,326,395,084

Note:

In addition to the above Contingent Liabilities, Reported Claims Against Government as at 31 December 2007 was approximately \$17.1 million.

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
BUDGET RESULT
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 6

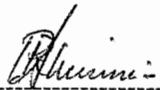
	Estimate 2007 \$	Actual 2007 \$	Increase / (Decrease) \$
REVENUE			
Operating Revenue	1,436,653,921	1,347,870,927	(88,782,994)
Investing Revenue	34,990,400	43,383,515	8,393,115
Public Debt - New Borrowings	371,045,100	118,862,870	(252,182,230)
TOTAL REVENUE	<u>1,842,689,421</u>	<u>1,510,117,312</u>	<u>(332,572,109)</u>
EXPENDITURE			
Operating Expenditure	1,003,383,693	1,023,890,682	20,506,989
Capital Expenditure	273,893,573	193,683,674	(80,209,899)
Value Added Tax	116,700,134	103,023,281	(13,676,853)
Public Debt Repayments	447,219,200	405,592,568	(41,626,632)
TOTAL EXPENDITURE	<u>1,841,196,600</u>	<u>1,726,190,206</u>	<u>(115,006,394)</u>
BUDGET RESULT	<u>1,492,821</u>	<u>(216,072,893)</u>	<u>(217,565,714)</u>

Note:

- Operating Expenditure includes in Standard Expenditure Group (SEG) 1 - 7 & 11.

- Capital Expenditure includes SEGs 8 - 10.

Ministry of Finance and National Planning
 Suva, Fiji
 31 October 2008



 Peni Sikivou
 Acting Permanent Secretary for Finance
 and National Planning

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 7

Heads of Revenue	Estimate	Actual Revenue 2007	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 Direct Taxes.....	430,558,500	438,337,401	7,778,901	---
22 Indirect Taxes.....	879,788,221	792,025,964	---	87,762,257
23 Fees, Fines & Charges.....	70,567,800	64,193,858	---	6,373,942
24 Operating Revenue - Sales.....	---	5,938	5,938	---
27 Other Receipts.....	31,395,000	31,807,970	412,970	---
28 Reimbursements & Recoveries.....	10,967,000	17,981,117	7,014,117	---
29 Grant Aid.....	13,377,400	3,518,679	---	9,858,721
Operating Revenue Total.....	1,436,653,921	1,347,870,927	15,211,926	103,994,920
INVESTING REVENUE				
31 Repayments of Term Loans Receivable.....	160,800	39,121	---	121,679
32 Sale of Government Assets.....	6,000,000	---	---	6,000,000
33 Dividends from Investments.....	28,829,600	21,971,159	---	6,858,441
34 Interest from Bank Balances.....	---	19,743,155	19,743,155	---
35 Return of Surplus Capital from Investment.....	---	1,630,080	1,630,080	---
Investing Revenue Total.....	34,990,400	43,383,515	21,373,235	12,980,121
LOAN PROCEEDS				
15. Overseas Loans.....	289,886,800	18,326,549	---	271,560,251
16. Domestic Loans.....	81,158,300	100,536,321	19,378,021	---
Loans Revenue Total.....	371,045,100	118,862,870	19,378,021	271,560,251
Total Revenue.....	1,842,689,421	1,510,117,312	55,963,182	388,535,291

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 DETAILED REVENUE COMPARISONS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2007	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 - DIRECT TAXES				
1. Income Tax				
01. Income Tax.....	430,558,500	438,337,401.44	7,778,901.44	---
2. Estate and Gift Duty				
01. Estate and Gift Duty.....	---	---	---	---
Total.....	430,558,500	438,337,401.44	7,778,901.44	---
<i>Net Increase</i>			7,778,901.44	---
22 - INDIRECT TAXES				
1. Value Added Tax				
01. Value Added Tax.....	517,890,800	465,831,989.71	---	52,058,810.29
2. Fiscal Duty				
01. Fiscal Duty.....	230,951,644	201,670,705.84	---	29,280,938.16
3. Excise Dues				
01. Excise Dues.....	84,946,996	84,297,801.73	---	649,194.27
4. Export Duty				
01. Export Duty.....	6,474,000	8,266,215.57	1,792,215.57	---
5. Import Duty				
01. Import Duty.....	19,305,908	15,691,415.11	---	3,614,492.89
6. Hotel Turnover Tax				
01. Hotel Turnover Tax.....	16,780,800	13,381,357.73	---	3,399,442.27
99. Miscellaneous Fees and Receipts				
01. Miscellaneous Fees and Receipts.....	3,438,073	2,886,478.64	---	551,594.36
Total.....	879,788,221	792,025,964.33	1,792,215.57	89,554,472.24
<i>Net Decrease</i>			---	87,762,256.67
23 - FEES, FINES & CHARGES				
01. Dues				
01. Light Due - Port & Harbour.....	393,800	394,519.63	719.63	---
02. Stamp Duty				
01. Stamp Duty.....	20,408,700	14,141,488.09	---	6,267,211.91
03. Fees				
01. Produce and Inspection.....	486,700	1,060,119.85	573,419.85	---
02. Native Timber Measurement.....	853,700	478,987.84	---	374,712.16
03. Land and Survey Fees.....	359,000	297,741.66	---	61,258.34
04. Mining Fees.....	2,400	76,792.79	74,392.79	---
06. Passports.....	7,208,900	6,571,772.88	---	637,127.12
07. Town Planning Fees.....	321,700	222,034.03	---	99,665.97
08. Examination Fees.....	---	26,157.50	26,157.50	---
09. Government Day Schools-Fees.....	822,800	645,003.00	---	177,797.00
10. Government Boarding Schools-Fees.....	486,700	466,694.81	---	20,005.19
11. Health Fumigation and Quarantine.....	503,600	166,047.67	---	337,552.33
12. Hospital.....	995,400	1,018,025.33	22,625.33	---
13. Fiji School of Nursing.....	244,600	222,121.75	---	22,478.25
14. Cemetery Fees.....	40,700	37,345.52	---	3,354.48
15. Air Licensing Fees.....	9,000	8,662.50	---	337.50
16. Departure Tax.....	7,888,300	9,397,340.26	1,509,040.26	---
17. Audit Fees.....	506,400	438,444.22	---	67,955.78
18. Court Fees.....	1,198,000	1,208,928.12	10,928.12	---
19. Registration.....	594,500	454,268.63	---	140,231.37
20. Management Fee.....	167,700	162,908.18	---	4,791.82
21. LTA Fee.....	---	2,890,348.94	2,890,348.94	---
99. Miscellaneous Fees.....	1,436,200	1,488,039.01	51,839.01	---
04. Licenses				
01. Arms.....	112,100	26,079.04	---	86,020.96
03. Coasting.....	9,800	6,741.48	---	3,058.52

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 DETAILED REVENUE COMPARISONS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2007	Increase	Decrease
	\$	\$	\$	\$
05. Liquor.....	230,500	425,927.76	195,427.76	---
06. Trading.....	201,900	179,937.30	---	21,962.70
07. Dogs.....	9,700	12,142.68	2,442.68	---
09. Money Lenders.....	27,700	29,979.26	2,279.26	---
10. Hotels and Guest Houses.....	5,100	137,270.00	132,170.00	---
12. Telecommunications and Television.....	3,302,800	1,853,003.90	---	1,449,796.10
14. Fishing.....	679,900	185,139.43	---	494,760.57
99. Other.....	278,500	35,168.06	---	243,331.94
05. Rates - Public Works				
01. Water & Sewerage Rates and Charges.....	19,501,800	16,841,086.20	---	2,660,713.80
02. Sewerage Charges.....	2,200	105,930.00	103,730.00	---
06. Fees Royalties				
01. Royalties Timber.....	600	408.84	---	191.16
03. Royalties - Sand, Coral, Metal, etc.....	137,300	29,083.62	---	108,216.38
07. Fines				
01. Fines.....	1,110,700	2,437,924.15	1,327,224.15	---
08. Administrative Fines and Penalty				
01. Overdue, lost & damaged library books.....	1,700	1,202.04	---	497.96
02. Administrative Fines and Forfeitures.....	26,700	13,041.69	---	13,658.31
Total.....	70,567,800	64,193,857.66	6,922,745.28	13,296,687.62
<i>Net Increase</i>			---	6,373,942.34
24 - OPERATING REVENUE - SALES				
01. RBF Revaluation Reserve Account.....	---	5,329.21	5,329.21	---
02. Ports Authority of Fiji.....	---	608.80	608.80	---
Total.....	---	5,938.01	5,938.01	---
<i>Net Increase</i>			5,938.01	---
27 - OTHER REVENUE AND SURPLUSES				
01. Surplus/Deficit from Agency				
01. RBF Revaluation Reserve Account.....	7,000,000	4,151,589.00	---	2,848,411.00
04. Fumigation.....	---	7,289.75	7,289.75	---
06. Woodwork and Materials.....	100	43.20	---	56.80
07. NBF Profits.....	---	2,000,000.00	2,000,000.00	---
02. Rent and Hire of Government Property				
01. Land.....	8,127,500	9,033,691.17	906,191.17	---
02. Official Quarters.....	1,496,200	1,423,630.34	---	72,569.66
03. Building.....	91,300	122,485.92	31,185.92	---
04. Hire of Plant and Vehicles.....	32,400	9,822.13	---	22,577.87
05. Hire of Vessels and Punts.....	---	---	---	---
06. Revenue from Rest Houses.....	2,300	2,659.33	359.33	---
07. Crown Schedule 'A' Land Rents.....	300	10,878.68	10,578.68	---
03. Commission Revenue				
01. Commission.....	1,143,400	1,035,872.45	---	107,527.55
99. Other Revenue				
01. Photographs.....	300	90.31	---	209.69
02. Sales of Publications.....	208,500	166,230.68	---	42,269.32
03. Revenue from Production of Films.....	29,100	18,143.00	---	10,957.00
04. Survey & Sales of Navigation Publications.....	905,200	282,232.50	---	622,967.50
05. Meat Inspection.....	12,200	34,463.53	22,263.53	---
06. Veterinary and Animal Quarantine.....	48,600	20,889.20	---	27,710.80
07. Freight and Charter Receipts.....	128,500	146,502.99	18,002.99	---
08. Chemical Analysis.....	7,100	10,591.10	3,491.10	---
09. Valuation Fees.....	8,300	9,669.32	1,369.32	---
10. Produce-Agricultural Experimental Stations.....	56,100	39,440.31	---	16,659.69
11. Sale of Surplus Farm Produce.....	16,400	15,964.77	---	435.23
12. Agricultural Commercial Undertakings.....	4,200	335.37	---	3,864.63

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 DETAILED REVENUE COMPARISONS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2007	Increase	Decrease
	\$	\$	\$	\$
13. Sale of Fish and Ice.....	307,100	233,717.87	---	73,382.13
14. Sale of Sheep and Wool.....	41,800	30,115.26	---	11,684.74
16. Fiji College of Agriculture.....	31,200	22,686.03	---	8,513.97
17. Agricultural Landlord and Tenant Tribunal.....	1,000	1,335.35	335.35	---
20. Board Members Fees.....	---	29,759.49	29,759.49	---
99. Miscellaneous.....	11,695,900	12,947,840.46	1,251,940.46	---
Total.....	31,395,000	31,807,969.51	4,282,767.09	3,869,797.58
<i>Net Increase</i>			412,969.51	---
28 - REIMBURSEMENT AND RECOVERIES				
11. Reimbursement of Services				
01. Reimbursement for Meteorological Services.....	191,700	3,415,670.72	3,223,970.72	---
02. Reimbursement of Services.....	25,000	11,139.57	---	13,860.43
03. Reimbursement of Debt Servicing.....	373,600	447,767.25	74,167.25	---
12. Refund of Payments				
01. Training & Productivity Authority of Fiji.....	---	---	9,466.74	---
02. Government Employees' Provident Fund.....	200	30.00	---	170.00
03. Recoveries of Overpayments in Previous Years.....	3,054,000	1,559,166.49	---	1,494,833.51
22. Contributions for Capital Projects				
01. Village Water Supplies.....	322,000	55,665.30	---	266,334.70
02. Rural Electrification.....	500	101.43	---	398.57
03. 1/3 Contribution.....	---	30,726.94	30,726.94	---
23. Contributions for Overseas Peace-Keeping				
02. Multinational Force and Observers.....	7,000,000	12,451,382.46	5,451,382.46	---
Total.....	10,967,000	17,981,116.90	8,789,714.11	1,775,597.21
<i>Net Increase</i>			7,014,116.90	---
29 - GRANTS IN AID				
01. Australian Development Grants.....	110,900	30,967.16	---	79,932.84
02. New Zealand Bilateral Aid Programme.....	1,217,300	2,163,000.00	945,700.00	---
03. United Nations Development Programme.....	802,700	154,620.58	---	648,079.42
04. European Union.....	9,000,000	---	---	9,000,000.00
05. Japan Government Grants.....	---	24,960.00	24,960.00	---
99. Other Grant Aid.....	2,246,500	1,145,131.39	---	1,101,368.61
Total.....	13,377,400	3,518,679.13	970,660.00	10,829,380.87
<i>Net Increase</i>			---	9,858,720.87
Total Operating Revenue	1,436,653,921	1,347,870,926.98	15,211,925.86	103,994,919.88
INVESTING REVENUE				
31 - REPAYMENTS OF TERM LOANS RECEIVABLE				
01. Repayment of Loans.....	160,800	844.69	---	159,955.31
02. Interest.....	---	38,276.12	38,276.12	---
Total.....	160,800	39,120.81	38,276.12	159,955.31
<i>Net Increase</i>			---	121,679.19
32 - SALE OF GOVERNMENT ASSETS				
02. Disposal of Investments in Infrastr. Services.....	6,000,000	---	---	6,000,000.00
03. Proceeds from Sale of Fixed Assets.....	---	---	---	---
Total.....	6,000,000	---	---	6,000,000.00
<i>Net Increase</i>			---	6,000,000.00

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
 DETAILED REVENUE COMPARISONS
 FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2007	Increase	Decrease
	\$	\$	\$	\$
33 - DIVIDENDS FROM INVESTMENTS				
01. Investments in Social Services.....	3,151,600	526,948.00	---	2,624,652.00
02. Investments in Economic Services.....	9,943,000	2,824,298.15	---	7,118,701.85
03. Investments in Infrastructure Services.....	15,735,000	18,619,912.46	2,884,912.46	---
Total.....	28,829,600	21,971,158.61	2,884,912.46	9,743,353.85
<i>Net Increase</i>			---	6,858,441.39
34 - INTEREST FROM BANK BALANCES				
01. Interest from Local Bank Balances.....	---	6,773,680.53	6,773,680.53	---
02. Interest from Local Banks.....	---	10,760,574.57	10,760,574.57	---
03. Interest from T/D with Local Banks	---	2,208,900.26	2,208,900.26	---
Total.....	---	19,743,155.36	19,743,155.36	---
<i>Net Increase</i>			19,743,155.36	---
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS				
74. Return of Surplus Capital from TMA Operations.....	---	1,630,080.00	1,630,080.00	---
Total.....	---	1,630,080.00	1,630,080.00	---
<i>Net Increase</i>			1,630,080.00	---
Total Investing Revenue.....	34,990,400	43,383,514.78	21,373,235.36	12,980,120.58
41 - OVERSEAS LOANS				
1. International Development Bank Loans				
01. ADB Loan No. 1530 Fiji Road Upgrading Project (FRUP III).....	8,400,000	9,289,838.56	889,838.56	---
02. ADB Loan Suva/Nausori Water Supply.....	22,000,000	9,036,710.75	---	12,963,289.25
03. Internatnl cap.....	---	---	---	---
04. ADB Alternative Livelihood Program.....	---	---	---	---
05. International Bond Market Issuarance.....	259,486,800	---	---	259,486,800.00
Total.....	289,886,800	18,326,549.31	889,838.56	272,450,089.25
<i>Net Increase</i>			---	271,560,250.69
42 - DOMESTIC LOANS				
01. Development and Conversion Loans.....	81,158,300	100,536,321.00	19,378,021.00	---
Total.....	81,158,300	100,536,321.00	19,378,021.00	---
<i>Net Increase</i>			19,378,021.00	---
Total Borrowing Proceeds.....	371,045,100	118,862,870.31	20,267,859.56	272,450,089.25
Grand Total.....	1,842,689,421	1,510,117,312.07	75,107,225.00	407,679,333.93
<i>Net Increase</i>			---	332,572,108.93
SUMMARY OF REVENUE				
Operating Revenue.....	1,436,653,921	1,347,870,926.98	15,211,925.86	103,994,919.88
Investing/Loans Revenue.....	406,035,500	162,246,385.09	41,641,094.92	285,430,209.83
Grand Totals.....	1,842,689,421	1,510,117,312.07	56,853,020.78	389,425,129.71

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Virement	Revised Estimate	Actual Expenditure 2007	(Over) / Under Expenditure
	\$	\$	\$		\$	\$	\$
GENERAL ADMINISTRATION							
Office of the President	1,662,300	---	---	---	1,662,300	1,533,061	129,239
Office of the Prime Minister	5,643,800	---	---	---	5,643,800	3,365,548	2,278,252
Public Service Commission	12,197,400	---	---	---	12,197,400	10,829,114	1,368,286
Office of the Attorney-General and Ministry for Justice	6,422,900	---	---	---	6,422,900	5,927,408	495,492
Ministry of Finance, National Planning, Public Enterprise and Sugar Industry	105,959,100	---	---	30,000	105,989,100	90,115,142	15,873,958
Ministry of Fijian Affairs, Culture Heritage, Provincial Development and Multi Ethnic Affairs	54,656,400	---	---	---	54,656,400	37,715,998	16,940,402
Department of Defence	5,402,200	---	---	---	5,402,200	3,746,198	1,656,002
Ministry of Labour, Industrial Relations, Tourism and Environment	23,683,700	---	---	---	23,683,700	19,821,196	3,862,504
Ministry of Foreign Affairs and External Trade	16,947,200	---	---	---	16,947,200	15,322,445	1,624,755
Office of the Auditor-General	2,815,600	---	---	---	2,815,600	2,775,508	40,092
Elections Office	707,500	---	---	---	707,500	504,073	203,428
Judiciary	12,119,700	---	---	---	12,119,700	11,574,189	545,511
Legislature	1,485,100	---	---	---	1,485,100	1,761,386	(276,286)
Office of the Ombudsman	1,421,600	---	---	---	1,421,600	1,386,668	34,932
Office of the Director of Public Prosecutions	3,896,600	---	---	---	3,896,600	3,721,728	174,872
Department of Justice, Prisons	15,664,400	---	---	100	15,664,500	15,686,319	(21,819)
Department of Information	6,464,800	---	---	---	6,464,800	5,526,126	938,674
Fiji Military Forces	80,739,600	---	---	---	80,739,600	126,285,114	(45,545,514)
Fiji Police Force	69,945,300	---	---	---	69,945,300	73,589,795	(3,644,495)
Total for General Administration	427,835,200	---	---	30,100	427,865,300	431,187,016	(3,321,716)
SOCIAL SERVICES							
Ministry of Education	320,678,500	---	---	---	320,678,500	310,924,706	9,753,794
Ministry of Health	150,808,500	---	---	---	150,808,500	150,797,123	11,377
Ministry of Local Government, Urban Development and Public Utilities	118,771,500	---	---	---	118,771,500	77,127,436	41,644,064
Ministry of Women, Social Welfare and Housing	29,281,900	---	---	---	29,281,900	26,568,649	2,713,251
Ministry of Youth, Sports, Employment Opportunities and Productivity	7,732,400	---	---	---	7,732,400	6,303,962	1,428,438
Total for Social Services	627,272,800	---	---	---	627,272,800	571,721,877	55,550,923

**GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Virement	Revised Estimate	Actual Expenditure 2007	(Over) / Under Expenditure
	\$	\$	\$		\$	\$	\$
ECONOMIC SERVICES							
Ministry of Agriculture, Fisheries and Forests	62,036,000	---	---	---	62,036,000	53,148,099	8,887,901
Ministry of Lands and Mineral Resources	43,810,100	---	---	---	43,810,100	42,399,999	1,410,101
Ministry of Commerce, Industry, Investment and Communications	16,639,100	---	---	---	16,639,100	13,333,530	3,305,570
Total for Economic Services	122,485,200	---	---	---	122,485,200	108,881,628	13,603,572
INFRASTRUCTURE SERVICES							
Ministry of Transport, Works and Energy	118,635,400	---	---	---	118,635,400	114,430,091	4,205,309
Total for Economic Services	118,635,400	---	---	---	118,635,400	114,430,091	4,205,309
UNALLOCABLE							
Miscellaneous Services	60,620,500	---	---	(1,530,000)	59,090,500	58,808,866	281,634
Pensions, Gratuities and Compassionate Allowances	38,628,200	---	---	---	38,628,200	35,568,160	3,060,040
Charges on Account of Public Debt	447,219,200	---	---	---	447,219,200	405,592,568	41,626,632
Total for Unallocable Services	546,467,900	---	---	(1,530,000)	544,937,900	499,969,594	44,968,306
GRAND TOTALS	1,842,696,500	---	---	(1,499,900)	1,841,196,600	1,726,190,206	115,006,394

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
FOR THE YEAR ENDED 31 DECEMBER 2007

Schedule 10

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Virements	Revised Estimate	Actual Expenditure 2007	(Over) / Under Expenditure
SUMMARY BY SEGS							
1. Established Staff	509,100,300	---	---	1,145,405	510,245,705	522,911,393	(12,665,688)
2. Unestablished Staff	60,812,800	---	---	392,719	61,205,519	61,737,896	(532,377)
3. Travel and Communications	17,841,200	---	---	1,130,004	18,971,204	19,045,742	(74,538)
4. Maintenance and Operations	87,645,600	---	---	1,216,753	88,862,353	90,094,524	(1,232,171)
5. Purchase of Goods and Services	52,646,200	---	---	129,777	52,775,977	74,508,884	(21,732,907)
6. Operating Grants and Transfers	185,420,700	---	---	(3,550,163)	181,870,537	176,984,457	4,886,080
7. Special Expenditures	49,263,800	---	---	1,560,398	50,824,198	43,039,626	7,784,572
8. Capital Construction	140,704,100	---	---	(1,371,999)	139,332,101	95,157,370	44,174,731
9. Capital Purchase	17,510,400	---	---	(463,508)	17,046,892	11,989,440	5,057,452
10. Capital Grants and Transfers	119,217,700	---	---	(1,703,120)	117,514,580	86,536,864	30,977,716
11. Pensions, Gratuities and Compassionate Allowances	38,628,200	---	---	---	38,628,200	35,568,160	3,060,040
12. Charges on Account of Public Debt	176,899,700	---	---	270,319,500	447,219,200	405,592,568	41,626,632
13. Value Added Tax	116,679,300	---	---	20,834	116,700,134	103,023,281	13,676,853
Grand Total	1,572,370,000	---	---	268,826,600	1,841,196,600	1,726,190,206	115,006,394

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
BUDGET RESULT, ESTIMATE AND PROJECTIONS
FOR THE PERIOD 2005 - 2009

Schedule 11

	Actual 2005 \$	Actual 2006 \$	Estimate 2007 \$	Projected 2008 \$	Projected 2009 \$
REVENUE					
Operating Revenue	1,184,095,981	1,329,907,255	1,436,653,921	1,509,454,200	1,588,618,700
Investing Revenue	37,785,575	71,416,432	34,990,400	160,800	160,800
Public Debt - New Borrowings	328,608,272	633,884,155	371,045,100	284,539,100	323,647,000
TOTAL REVENUE	<u>1,550,489,828</u>	<u>2,035,207,842</u>	<u>1,842,689,421</u>	<u>1,794,154,100</u>	<u>1,912,426,500</u>
EXPENDITURE					
Operating Expenditure	945,337,583	1,088,878,569	1,003,383,693	1,164,920,400	1,164,934,800
Capital Expenditure	213,508,584	212,641,756	273,893,573	192,374,500	143,165,400
Value Added Tax	100,826,374	113,689,054	116,700,134	112,113,500	105,962,200
Public Debt Repayments	328,543,045	334,260,535	447,219,200	384,787,100	453,325,600
TOTAL EXPENDITURE	<u>1,588,215,585</u>	<u>1,749,469,914</u>	<u>1,841,196,600</u>	<u>1,854,195,500</u>	<u>1,867,388,000</u>
BUDGET RESULT	<u>(37,725,758)</u>	<u>285,737,928</u>	<u>1,492,821</u>	<u>(60,041,400)</u>	<u>45,038,500</u>

Note:

- Operating Expenditure includes in Standard Expenditure Group (SEG) 1 - 7 & 11.

- Capital Expenditure includes SEGs 8 - 10.

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE
FOR THE PERIOD 2005 - 2009

Schedule 12

	Actual 2005 \$	Actual 2006 \$	Estimate 2007 \$	Projected 2008 \$	Projected 2009 \$
REVENUE					
Operating Revenue					
Direct Receipts (Income Tax)	352,498,201	446,090,420	430,558,500	460,821,300	488,129,300
Indirect Revenue					
Customs	298,194,304	301,600,437	345,116,621	382,060,600	401,841,800
Hotel Turnover Tax		6,890,209	16,780,800		
VAT	415,116,437	472,639,707	517,890,800	523,529,300	551,923,600
Fees, Fines, Charges and Penalties	58,145,930	60,658,241	70,567,800	71,016,900	73,817,200
Other Revenue and Surpluses	45,588,705	32,682,426	31,395,000	32,248,800	33,006,300
Reimbursement and Recoveries	10,173,133	2,946,214	10,967,000	11,105,700	11,228,900
Grant in Aid	4,379,271	6,399,601	13,377,400	---	---
Total Operating Revenue	1,184,095,981	1,329,907,255	1,436,653,921	1,480,782,600	1,559,947,100
Investing Revenue					
Repayment of Term Loans Receivable	70,577	239,394	160,800	160,800	160,800
Sale of Government Assets	691	28,000,255	6,000,000	---	---
Dividends from Investment	23,701,130	27,619,234	28,829,600	28,671,600	28,671,600
Interest from Bank Balance	14,013,177	15,557,550	---	---	---
Return of Surplus Capital from Investment	---	---	---	---	---
Total Investing Revenue	37,785,575	71,416,432	34,990,400	28,832,400	28,832,400
TOTAL REVENUE	1,221,881,556	1,401,323,687	1,471,644,321	1,509,615,000	1,588,779,500
EXPENDITURE					
General Administration Services					
Operating Expenditure	299,136,064	354,649,569	316,150,557	307,016,800	307,031,200
Capital Expenditure	41,902,840	35,968,232	79,033,543	41,862,200	41,862,200
Total General Administration	341,038,904	390,617,801	395,184,100	348,879,000	348,893,400
Social Services					
Operating Expenditure	411,555,102	442,912,444	480,788,367	478,626,800	478,626,800
Capital Expenditure	21,208,078	21,000,331	88,079,033	80,895,000	46,995,000
Total Social Services	432,763,180	463,912,775	568,867,400	559,521,800	525,621,800
Economic Services					
Operating Expenditure	73,145,498	82,880,881	88,511,449	79,421,400	79,421,400
Capital Expenditure	48,770,717	48,383,188	22,017,517	8,978,200	8,428,200
Total Economic Services	121,916,215	131,264,069	110,528,966	88,399,600	87,849,600
Infrastructure Services					
Operating Expenditure	83,621,140	102,417,092	55,976,800	55,865,800	55,865,800
Capital Expenditure	92,400,724	98,813,745	50,783,300	52,347,000	37,587,000
Total Infrastructure Services	176,021,864	201,230,837	106,760,100	108,212,800	93,452,800
Miscellaneous Services					
Operating Expenditure	40,675,373	69,518,337	23,328,320	22,911,000	22,911,000
Capital Expenditure	9,226,225	8,476,259	33,980,180	8,292,000	8,292,000
Total Miscellaneous Services	49,901,598	77,994,596	57,308,500	31,203,000	31,203,000
Pensions, Gratuities and Compassionate Allowance	37,204,406	36,500,246	38,628,200	38,628,200	38,628,200
Value Added Tax	100,826,374	113,689,054	116,700,134	111,891,000	105,739,700
Finance Charges on Public Debt	130,763,632	143,300,555	176,899,700	180,677,200	180,677,200
TOTAL EXPENDITURE	1,390,436,173	1,558,509,933	1,570,877,100	1,467,412,600	1,412,065,700
NET DEFICIT	(168,554,617)	(157,186,246)	(99,232,779)	42,202,400	176,713,800

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
ESTIMATE AND ACTUAL BUDGET RESULT
FOR THE PERIOD 2005 - 2007

Schedule 13

	Actual 2005 \$	Actual 2006 \$	Estimate 2007 \$	Actual 2007 \$
REVENUE				
Operating Revenue	1,184,095,981	1,329,907,255	1,436,653,921	1,347,870,927
Investing Revenue	37,785,575	71,416,432	34,990,400	43,383,515
Public Debt - New Borrowings	328,608,272	633,884,155	371,045,100	118,862,870
TOTAL REVENUE	<u>1,550,489,828</u>	<u>2,035,207,842</u>	<u>1,842,689,421</u>	<u>1,510,117,312</u>
EXPENDITURE				
Operating Expenditure	945,337,583	1,088,878,569	1,003,383,693	1,023,890,682
Capital Expenditure	213,508,584	212,641,756	273,893,573	193,683,674
Value Added Tax	100,826,374	113,689,054	116,700,134	103,023,281
Public Debt Repayments	328,543,045	334,260,535	447,219,200	405,592,568
TOTAL EXPENDITURE	<u>1,588,215,586</u>	<u>1,749,469,914</u>	<u>1,841,196,600</u>	<u>1,726,190,206</u>
BUDGET RESULT	<u>(37,725,758)</u>	<u>285,737,928</u>	<u>1,492,821</u>	<u>(216,072,893)</u>