

GOVERNMENT OF FIJI ISLANDS
ANNUAL FINANCIAL STATEMENT

For the Year Ended 31 December 2008

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 2008**

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 2008 in accordance with Decree 6 of the State Services Decree, section 46 and 47 of the Financial Management Act (2004) and section 6 of the Audit Act.

The 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 statement.

The Ministry of Finance is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the Whole of Government Financial Statement and the 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

- I. The correctness of the Income Tax, Hotel Turnover Tax and VAT revenues collected by the Fiji Islands Revenue & Customs Authority on behalf of the State, which comprised 51% of the Government's total revenue in 2008, could not be substantiated as the audit was denied access to taxpayer 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 Qualifications paragraphs:

- the accounts have been faithfully and properly kept;
- transactions with or concerning public money or public property of the State have been authorised by or pursuant to the Service Decrees or any other written law; and

- expenditure has been applied for the purpose for which it was authorised.

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

- An amount of \$10.6 million in respect of trust moneys shown in Schedule 1 – Statement of Assets and Expenditure of the Whole of Government Financial Statements is not appropriately supported by cash at bank in a separate trust bank account.
- A prior year's adjustment of \$4.2 million in the Consolidated Fund Statement of Receipts and Payments could not be verified.
- Ministries/departments failed to submit their reconciliations to Ministry of Finance, despite being sent numerous reminders. Moreover, reconciliation for RFA - Miscellaneous, namely, Accounts Payable and Accrued Expenses were not submitted to the Ministry of Finance at all. As such these account balances totalling \$1.2 million and \$1.6 million respectively could not be substantiated.
- A capital loss of \$4.4 millions was incurred when four TMA operations were written off. These are Gravel Washing Plant, Cane Trucks, Republic of Fiji Military Forces (RFMF) Air Wing and Marine Shipbuilding TMA.
- Debts owed to Government totalling \$9.5 million was not recorded in the Lending Fund Account of which \$4.6 million was advanced to Rewa Rice Ltd and \$4.9 million was the guarantor payment on behalf of Fiji Electricity Authority and Fiji Sugar Cane Grower Council.
- Bank account balances totalling \$1.3 million for Overseas Missions and Agencies have not been reconciled nor confirmed by the relevant overseas banks.
- TMA Credit sales of \$12.5 million have been taken as receipts in the Accounts and Finance despite reporting on cash-basis of accounting. Balancing accounting entries to the Equity of Government's TMA have been made to produce a balanced balance sheet. As such the balances totalling \$22.7 million could not be substantiated.
- Account balances totalling \$64.9 million in the clearing account for domestic and overseas loans appearing under the revolving fund account are outstanding. Furthermore, other clearing accounts in the Operating Fund totalling \$73.8 million also remained outstanding.
- Drawings account has been reduced with unexplained debit balances totalling \$16.7 million.

T. Bolanavanua

Tevita Bolanavanua
Acting AUDITOR-GENERAL

Suva, Republic of the Fiji Islands

24 September 2009



GOVERNMENT OF THE REPUBLIC OF FIJI

I. The Economy

1. After a contraction of 6.6 percent in 2007, the domestic economy is estimated to have marginally expanded by 0.2 percent in 2008. Major sectors underpinning the marginal growth were the wholesale and retail trade, hotels and restaurants, transport and communication. The good performances in these sectors resulted from buoyant tourism arrivals during the year.

2. In 2008, provisional data from the Fiji Islands Bureau of Statistics indicate that visitor arrivals totalled 585,031, an annual increase of 8.4 percent. In line with higher visitor arrivals, tourism earnings increased by an annual rate of 13.8 percent over 2007.

3. Aggregate demand remained quite modest in 2008 as suggested by the partial indicators. While borrowing for consumption purposes showed an annual growth of 13.2 percent, net Value Added Tax (VAT) collections fell by 2.9 percent. The subdued consumption activity was influenced by weak employment conditions, restrained incomes and falling remittances.

4. Investment was estimated at around 15.0 percent of Gross Domestic Product (GDP) in 2008, similar to the level in 2007. Although partial indicators such as imports of investment goods and lending for investment purposes grew in 2008, overall investment remained low. This is reflected by certain partial indicators, such as the value of work put in place in the construction sector, which remained significantly below the buoyant 2006 period.

5. In line with subdued economic activity, overall labour market conditions remained relatively weak in 2008. The Fiji Islands Revenue and Customs Authority (FIRCA) registered around 16.0 percent fewer new taxpayers in 2008 compared with 2007. While this is partially due to increase in the income tax threshold in June 2008, taxpayer registrations were falling even before June, when this policy was implemented. The mining and quarrying; electricity and water; agriculture, forestry and fishing; transport, storage and communications and the community, social and personal services were the major sectors recording lower registrations during the year. Nonetheless, in certain industries, such as mining, some growth in employment was evident over the 2007 levels, given the restart of mining operations at Vatukoula.

6. Although recruitment intentions improved during 2008, with an annual growth of 11.0 percent in Job Advertisements, it is likely that this was to fill existing jobs left vacant due to workers switching jobs, natural attrition and emigration. There is a lack of evidence to suggest that the economy experienced new job creation in the year. Substantiating this, Pay As You Earn collections, a partial indicator of incomes, fell by 6.0 percent in 2008, although this was influenced partially by the increase in the income tax threshold in the middle of the year.

7. Inflation hovered at around 7.0 percent in the early part of 2008, mainly driven by soaring crude oil and food prices. Growth in prices eased somewhat to 5.8 percent in May, before climbing sharply to a 20-year high of 9.8 percent in September. However, prices eased in October as concerns of a global recession brought prices of oil and food down. In order to lessen the burden of lower income earners during the episodes of rising prices, certain fiscal and monetary policies were implemented. Government's policies included raising of the income tax bracket to \$15,000, removal of VAT and import duty from some basic food items, reduction in duty on petroleum products and profit margin on kerosene. The Reserve Bank relaxed its Foreign Forward Exchange Cover Facility to allow importers of some essential food items to hedge against future price increases. By the end of 2008, inflation eased to 6.6 percent, higher than the 4.3 percent registered at the end of 2007. The underlying inflation, measured by the trimmed mean method, was 2.8 percent.

II. Balance of Payments

8. Fiji's export earnings rose significantly in 2008, compared to previous years. Provisional accrual trade data showed that in 2008, merchandise export earnings (excluding aircraft) rose by 21.6 percent, compared to a growth of around 0.7 percent in 2007. Over the same period, total import payments (excluding aircraft) increased by around 23.0 percent, compared with a decline of 7.2 percent in 2007.

9. The increase in exports was offset by the rise in imports which resulted in the widening of the trade deficit by 24.0 percent in 2008. In 2007, the trade deficit had narrowed by around 12.1 percent. The widening trade deficit continued to place considerable strain on Fiji's balance of payments.

10. Foreign reserves at the end of 2008 totalled \$558.7 million.

III. Monetary Policy

11. The central bank focused primarily on preserving the adequacy of foreign reserves through its monetary policy. The credit ceiling, which was introduced in December 2006, remained in place over 2008. Apart from restraining credit expansion in the economy, this policy also ensured that credit continued to be directed to priority sectors through the Reserve Bank's special approvals scheme. By the end of 2008, the Reserve Bank had granted approvals totalling \$361.0 million for investment projects, exports and to small businesses. While lending for consumption purposes continued to be discouraged as this could affect the balance of payments adversely, lending for investment purposes was actively supported by the Bank.

12. Foreign reserves stabilised to some extent at the beginning of 2008 resulting in the relaxation of exchange control guidelines by the Reserve Bank on non-resident borrowings from local sources to further encourage private sector investment. The new policy became effective from 24 April 2008, allowing foreign owned companies to borrow up to a certain percentage of their total borrowings based on their shareholding structure.

13. In response to rising inflation, which was influenced by high food prices, the Reserve Bank relaxed parts of its Forward Foreign Exchange Cover Facility on 14 May 2008. The policy allowed importers of some essential food items to hedge against future price increases.

14. The policy on local borrowing by non-resident individuals was relaxed further on 23 June 2008. Non-residents could from this date, borrow up to 60.0 percent locally to build new residences and up to \$100,000 for maintenance and repairs of properties. In addition, non-resident controlled companies were also allowed to apply for exempted status which would allow non-resident individuals investing in their projects to borrow up to 75.0 percent locally.

15. On 14 August 2008, in line with the Government's policy to encourage and facilitate further participation of former Fiji residents in the development of the economy, the Reserve Bank made the necessary amendments to recognise former Fiji residents with permanent resident visas under the exchange control guidelines. This provides *inter alia* the right to these former Fiji residents to acquire/transfer shares and source funds locally without prior approval of the Reserve Bank.

16. Moreover, on 8 September 2008, the approval limits delegated to foreign exchange dealers for import prepayments was raised to \$1.0 million. On 29 September, changes were made to the delegation of foreign exchange transactions to Authorised Foreign Exchange Dealers. The changes included the increase in delegated limits in certain categories and delegation up to certain amounts for transactions that previously required Reserve Bank approval.

17. Other relaxation measures in 2008 included: FNPF funds under emigration; travel allowance; credit and debit cards; education and medical expenses; merchant imports; charges, fees and service payments; loan repayments and court order payments.

18. In line with subdued economic activity, money and credit growth was weak during the review year. Broad money fell by 6.9 percent on an annual basis in December 2008, driven by a contraction in demand deposits. However, domestic credit expanded by 4.8 percent after rising by 3.2 percent in 2007. The growth in domestic credit was led by private sector credit which grew by 11.2 percent in 2008. Commercial bank credit rose by 11.6 percent in December from 2.1 percent a year ago, attributed to higher lending to the wholesale, retail, hotel and restaurants; transport, communication and storage; real estate; private individuals and the manufacturing sectors.

Interest Rates

19. Commercial bank interest rates generally fell in 2008, as a result of buoyant liquidity in the banking system. In December, commercial banks' time deposit rate fell by 145 basis points to 3.00 percent, while the savings deposit rate remained the same at 0.64 percent over the year. Similarly, the commercial banks' lending rate fell by 74 basis points to 7.72 percent. However, as a result of tight liquidity conditions in the final

quarter of 2008, commercial banks' time deposit rate rose by 71 basis points in December, from 2.29 percent in September.

20. Bond yields showed a marked recovery from the declines witnessed in 2007. The pace of increase accelerated towards end-year underpinned by a combination of tightening liquidity and an over-supply of securities in the market. In comparison with the end of 2007, increases were noted in both the short and long term bond yields with Government's 20 year maturity bond displaying the largest yield increase.

Secondary Bond Market

21. In 2008, there was a marked decline in secondary bond market activity. A total of 31 trades valued at \$8.9 million were recorded during the year. This is significantly lower than the 93 trades amounting to \$30.9 million recorded in 2007. The outturn was largely due to the overall high liquidity in the banking system as well as low yields.

IV 2008 BUDGET

22. The Revised Budget Estimates for 2008 provided for receipts amounting to \$1,411,450,300¹. A revised estimate of expenditure totaled \$1,523,977,025². The actual out-turn for the year, however, showed receipts totaling \$1,454,935,194 and expenditure amounting to \$1,426,192,579.

Comparison with Revised Estimates

23. The final out-turn for 2008 compared with the revised estimate and with 2006 and 2007 actual data are as follows:

	2006 Actual (\$000)	2007 Actual (\$000)	2008 Revised (\$000)	2008 Actual (\$000)
Expenditure				
Operating (SEG 1-7)	1,052,378.3	988,322.5	998,003.6	952,782.0
Operating - Pensions	36,500.2	35,568.2	38,628.2	35,533.1
Operating (SEG 12)	334,260.5	405,592.6	439,345.1	427,984.1
Capital (SEG 8-10)	212,641.8	193,683.7	257,471.3	212,747.9
VAT (SEG 13)	113,689.1	103,023.3	47,270.0	51,443.1

¹ Excludes borrowing/loans

² Excludes principal payments.

Total Expenditure ³	1,749,469.9	1,726,190.2	1,780,718.2	1,680,490.0
Revenue				
Operating Revenue	1,323,478.5	1,347,870.9	1,384,234.1	1,412,410.8
Capital Revenue	71,416.4	43,383.5	27,216.2	42,524.4
Total Revenue ⁴	1,394,894.9	1,391,254.4	1,411,450.3	1,454,935.2

Comparison with Past Revenue and Expenditure Out-turn

24. A comparison of the 2008 budget out-turns against the previous four years are given in the table below.

Year	Actual Revenue ⁴ (\$000)	Actual Expenditure ³ (\$000)
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
2008	1,454,935.2	1,680,490.0

REVENUE

25. Actual 2008 revenue receipts totaled \$1,454,935,193 with operating revenue accounting for \$1,412,410,799 and the remainder of \$42,524,394 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
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%
2008	1,412,410.8	42,524.4	1,454,935.2	4.6%

³ Includes Principle Repayments

⁴ Excludes borrowing/loans

Operating Revenue

26. For the purposes of comparison, the following table gives total operating revenue collected under the major categories for the years 2004-2008. Collections as a percent of total operating revenue and percentage change from previous years are also provided.

	(\$000)	(\$000)	% Change	(\$000)	% Change	(\$000)	% Change	(\$000)	% Change	(\$000)	% Change
	2004	2005	2004-2005	2006	2005-2006	2007	2006-2007	2008	2007-2008		
Direct Taxes	334,608.80	352,498.20	5%	446,090.40	27%	438,337.40	-2%	438,546.90	0%		
% of Total	28%	30%		34%		32.5%		31%			
Indirect Taxes	698,710.90	713,310.70	2%	781,130.40	10%	792,025.90	1%	804,510.44	2%		
% of Total	59%	60%		59%		58.8%		57%			
Customs	294,351.20	298,194.30	1%	301,600.50	1%	326,193.90	8%	331,487.06	2%		
% of Total	25%	25%		23%		24.2%		23%			
VAT	404,359.70	415,116.40	3%	472,639.70	14%	465,831.90	-1%	452,943.74	-3%		
% of Total	34%	35%		36%		34.60%		32%			
Hotel Turnover Tax	0	0	0%	6,890.20	0%	13,381.40	94%	20,079.64	50%		
% of Total	0%	0%		1%		1%		1%			
Fees and Charges	58,339.60	58,145.90	0%	57,661.90	-1%	64,193.90	11%	109,294.04	70%		
% of Total	5%	5%		4%		4.8%		8%			
Grants in Aid	3,398.10	4,379.30	29%	2,967.20	-32%	3,518.70	19%	12,624.67	259%		
% of Total	0.30%	0.40%		0.20%		0.3%		1%			
Other receipts	47,222.00	45,588.70	-3%	32,655.80	-28%	31,807.90	-3%	34,501.04	8%		
% of Total	4%	4%		2%		2.4%		2%			
Reimbursement and Recoveries		10,173.10	0%	2,946.20	-71%	17,981.10	510%	12,891.72	-28%		
% of Total		0.9%		0.2%		1.30%		1%			
Sales Revenue		0	0%	26.7	0%	5.9	-78%	41.99	612%		
% of Total		0%		0%		0.40%		0%			
Total Operating Revenue	1,176,016.00	1,184,096.00	1%	1,323,478.50	12%	1,347,870.90	2%	1,412,410.80	5%		

27. Compared to the budgetary estimate of operating revenue of \$1,384,234, actual operating revenue amounted to \$1,412,411, an increase of \$28,176,699 or 2.0 percent. This increase was largely due to higher collections from Indirect Taxes (VAT, Import Duties, Excise Duties, Export Duty; and Hotel Turnover Tax); Fees, Fines and Charges; Reimbursement and Recoveries; Sales Revenues; and Grant-In-Aids.

28. Customs and Excise collections represented a total of 23.5 percent of operating revenue in 2008. Customs and excise revenue collections were as follows:

(\$000)		
	Estimates	Actual
Fiscal Duty	348,927.3	226,002.4
Excise Duty	23,874.5	78,421.6
Export Duty	0.0	9,986.8
Import Excise Duty	0.0	19,185.7
Miscellaneous Fees and Receipts	0.0	(2,109.4)
Total	372,801.8	331,487.1

29. The 2008 Grant-In-Aid receipts totaled \$12,624,668 against an estimate of \$2,132,900 as detailed in the table below. Aid collections were above forecast in 2008 due to increased assistance received from Australia, New Zealand, Japan, UNDP and other donor agencies.

(\$000)		
	Estimate	Actual
1. Australian Development Grant	82.1	2,115.5
2. New Zealand Bilateral Aid Programme	0.0	150.6
3. United Nations Development Programme (UNDP)	43.5	358.9
4. European Union	0.0	0.0
5. Japan Government Grants	0.0	6.4
6. Other Grant Aid	1,617.3	9,993.2
Total Aid Receipts	2,132.9	12,624.7

Capital Revenue

30. Capital revenue receipts for 2008 amounted to \$42,524,394 compared to the revised estimate of \$27,216,200, an increase of \$15,308,194. This was mainly due to increased proceeds from Interest from Bank Balances and Exchange Rate Gains.

31. The components of capital revenue receipts over the five-year period 2004-2008 are illustrated in the table below:

(\$000)					
	2004	2005	2006	2007	2008
Repayment of Term Loans Receivable	242.1	70.6	239.4	39.1	4.9
Sale of Government Assets	-	0.70	28,000.3	-	-
Dividends from Investments	20,834.1	23,701.1	27,619.2	21,971.2	21,515.8
Interest from Bank Balances	12,821.9	14,013.2	15,557.6	19,743.2	19,483.1
Return of surplus capital from Investments	322.5	-	-	1,630.1	798.4
Gain in Exchange Rates					722.2
Total	34,220.5	37,785.6	71,416.4	43,383.5	42,524.4

EXPENDITURE

32. The 2008 Revised Estimate stood at \$1,780,718,600 during the year. Actual expenditure for the year stood at \$1680, 490,023; reflecting an under expenditure of \$100,228,577 or 5.6 percent compared to the revised forecast.

33. The composition of actual expenditure is \$1,416,299,135 (84.percent) operating, \$212,747,865 (13 percent) capital expenditure and \$51,443,023 (3 percent) VAT, compared with the revised estimate composition of 83 percent operating expenditure, 14 percent capital expenditure and 3 percent VAT.

34. The distribution of actual operating and capital expenditure by sector over the past five years is shown below:

COMPARATIVE STATEMENT OF SPENDING BY SECTORS FOR THE YEARS 2004 - 2008

Sector	2004		2005		2006		2007		2008	
	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget	\$m	% of Total Budget
Operating	285.6		299.1		354.6		355.9		329.8	
Capital	32.8		41.9		36.0		49.9		47.9	
VAT	24.5		31.2		34.7		25.4		8.3	
Tot. General Admin.	343.0	23.2	372.3	23.4	425.3	24.3	431.2	25.0	386.0	23.0
Operating	401.4		411.6		442.9		472.0		429.3	
Capital	23.0		21.2		21.0		45.1		17.9	
VAT	33.9		38.2		41.5		54.6		18.0	
Tot. Social	458.2	31.0	471.0	29.7	505.4	28.9	571.7	33.1	465.2	27.7

Operating	68.5		73.1		82.9		83.2		76.5	
Capital	40.0		48.8		48.4		15.4		31.9	
VAT	8.5		8.3		12.3		10.4		5.3	
Total Economic	116.9	8.0	130.2	8.2	143.6	8.2	109.0	6.3	113.7	6.8
Operating	82.3		83.7		102.4		54.0		94.4	
Capital	97.9		92.4		98.9		49.4		102.2	
VAT	23.1		19.6		22.5		11		17.5	
Tot. Infrast.	203.2	13.7	195.6	12.3	223.8	12.8	114.4	6.6	214.2	12.7
Operating	343.0		406.4		431.4		451.2		486.4	
Capital	11.9		9.2		16.6		47.1		12.9	
VAT	2.8		3.5		2.7		1.6		2.3	
Tot. Unallocable⁵	357.8	24.2	419.1	26.4	450.7	25.8	499.9	29	501.6	30.0
Total Operating	1,180.7		1,273.9		1,414.2		1,416.1		1,416.4	
Total Capital	205.6		213.5		220.9		207		212.8	
VAT	92.8		100.8		113.6		103.0		51.4	
Grand Total	1,479.1		1,588.2		1,748.7		1,726.1		1,680.6	

35. 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
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
2008	508.7	30	428.0	26	743.9	44	1,680.6

36. A comparative table between the revised estimate and actual expenditure for the period 2004 – 2008 is as follows:

Year	Revised Estimate (\$m)	Actual Expenditure (\$m)	Variation	
			(\$m)	%
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)
2008	1,780.7	1,680.6	(100.2)	(5.6)

⁵ Includes, Miscellaneous Services, Pensions and Charges on Account of Public Debt

37. A summary of the 2008 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	2008 EXPENDITURE BY SEG				
	\$000 Original	\$000 Revised	\$000 Actual	% Variance (Original)	% Variance (Revised)
1. Established Staff	527,796.7	523,439.2	508,658.2	-3.6%	-2.8%
2. Government Wage Earners	61,739.9	62,622.1	56,088.0	-9.2%	-10.4%
3. Travel and Communications	18,928.9	19,514.1	17,272.0	-8.8%	-11.5%
4. Maintenance and Operations	78,310.9	85,871.4	87,151.2	11.3%	1.5%
5. Purchase of Goods and Services	56,598.5	56,747.6	54,749.8	-3.3%	-3.5%
6. Operating Grants and Transfers	190,466.2	202,893.8	191,894.0	0.7%	-5.4%
7. Special Expenditure	52,208.0	46,916.0	36,969.0	-29.2%	-21.2%
TOTAL DEPARTMENTAL	986,049.1	998,004.2	952,782.2	-3.4%	-4.5%
Un-allocable Operating Expenditures					
Pensions, Compassionate Allowances	38,628.2	38,628.2	35,533.1	-8.0%	-8.0%
Charges on Account of Public Debt	439,345.1	439,345.1	427,984.2	-2.6%	-2.6%
TOTAL OPERATING	1,464,022.4	1,475,977.5	1,416,299.5	-3.3%	-4.0%
8. Capital Construction	162,102.3	149,821.0	116,331.9	-28.2%	-22.4%
9. Capital Purchase	19,169.1	23,219.9	17,381.2	-9.3%	-25.1%
10. Capital Grants and Transfers	87,952.8	84,430.6	79,034.9	-10.1%	-6.4%
TOTAL CAPITAL	269,224.2	257,471.5	212,748.0	-30.2%	-17.4%
13. VAT	48,401.9	47,270.0	51,443.1	-6.3%	-8.8%
TOTAL EXPENDITURE	1,781,648.5	1,780,718.2	1,680,490.6	-5.7%	-5.6%

38. 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 (Under-expenditure - \$14,781,047)

39. The original estimate of \$527.8million was revised downwards to \$523.5 million. Actual expenditure of \$508.7 million was below the revised estimate by \$14.8 million or 2.8 percent. Major contributing Ministries to the under-expenditure in this SEG were : Education (\$6,545,871); Health (\$5,946,582); Works and Transport (\$2,803,303); Primary Industries (\$2,211,309); Finance (\$1,886,160); Judiciary (\$1,007,447); Provincial Development (\$992,453); Land and Minerals (\$963,100); Defence, National Security and Immigration (\$874,865); Attorney General (\$650,005); Labour (\$601,755); PSC (\$480,930); Office of the DPP (\$457,580); Tourism (\$449,201); Office of the PM (\$301,324). There were also over spending by some Ministries that cushioned the effect above. The large ones were from Police (\$8,712,130); RFMF (\$3,814,641), and Local Government (\$163,944).

SEG 2 – Government Wage Earners (Under-expenditure - \$6,534,151)

40. The original estimate of \$61.7 million was revised upwards to \$62.6 million. Actual expenditures of \$56.1 million meant an under spending of \$6.5 million, which was largely due to under-expenditures in Health (\$2,592,083); Works and Transport (\$1,834,469); Public Utilities (\$565,639); Primary Industries (\$453,134); Provincial Development (\$351,379); Police (\$216,053); Office of the PM (\$158,309); and Lands and Minerals (\$155,679). Parts of the savings were offset by over-expenditure from the following: Local Government (\$89,347); RFMF (\$63,718); Prisons (\$36,222); and PSC (\$25,776).

SEG 3 - Travel and Communications (Under-expenditure - \$2,242,148)

41. The under-expenditure recorded in this SEG came from the variance between actual expenditures of \$17.3 million and revised estimate of \$19.5 million. Major contributing Ministries to the under-expenditure in this SEG were: Miscellaneous (\$562,629); Health (\$480,762); Works and Transport (\$184,790); Primary Industries (\$174,502); Finance (\$109,688); RFMF (\$75,820); Public Utilities (\$64,771); Foreign Affairs (\$58,426); Provincial Development (\$57,719); Land and Minerals (\$50,813); Local Government (\$48,466); Police (\$48,354); and Judiciary (\$47,051).

SEG 4 - Maintenance and Operations (Over-expenditure - \$1,279,810)

42. Actual expenditure of \$87.2million was recorded against a revised estimate of \$85.9 million, thus the over spending of \$1.3 million. This was attributed to over-expenditures in the following Ministries and Departments: Public Utilities (\$5,234,312) and Health (\$186,679). There were also under spending by some Ministries that cushioned the effect above. The large ones were from Lands and Minerals (\$1,716,326); Works and Transport (\$836,368); Finance (\$494,934); Primary Industries (\$321,873); Police (\$130,406); RFMF (\$127,712); Office of the President (\$52,017); Legislature (\$43,748); and Defence, National Security and Immigration (\$40,718).

SEG 5 - Purchases of Goods and Services (Under-expenditure - \$1,997,810)

43. Actual expenditure of \$54.7 million was under the revised estimate of \$56.7 million by \$2 million. Substantial under-expenditures were recorded in the following ministries: Miscellaneous (\$408,608); Finance (\$358,401); Primary Industries (\$155,434); Education (\$149,581); Defence, National Security and Immigration (\$128,024); Lands & Minerals (\$89,962); Provincial Development (\$74,475); Youth (\$70,246); Auditor General (\$55,219); Works and Transport (\$54,140); and Prisons (\$51,579).

SEG 6 - Operating Grants and Transfers (Under-expenditure - \$10,999,690)

44. 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 for or bound by performance agreements to perform. Under-expenditure of \$11 million was recorded with actual expenditure of \$191.9 million against a revised estimate of \$202.9 million. The major contributors to the under spending in this SEG were Education (\$6,228,162); Health (\$2,163,119); Provincial Development (\$942,061); Office of the PM (\$816,853); Primary Industries (\$201,602); Works and Transport

(\$167,347); Tourism (\$128,758); Youth (\$84,593); Foreign Affairs (\$82,101); Miscellaneous (\$69,228); and PSC (\$48,338).

SEG 7 - Special Expenditures (under-expenditure - \$9,947,003)

45. This SEG covers special operating expenditures mostly relating to specific policies or projects that are shown as a separate item or provision. The actual expenditure stood at \$37 million against the revised budget of \$46.9 million. Substantial savings under this SEG were recorded in the following Ministries: Miscellaneous (\$4,821,970); Tourism (\$1,663,671); Elections (\$465,684); Finance (\$418,186); Defence, National Security and Immigration (\$413,211); Lands and Minerals (\$407,211); Provincial Development (\$373,157); Health (\$355,868); Foreign Affairs (\$326,599); Education (\$284,277); Attorney General (\$253,307); Public Utilities (\$173,350); PSC (\$172,603); Labour (\$147,604); and Youth (\$135,049). The savings above were offset by over spending in the following Ministries: Health (\$648,944) and Office of the PM (\$579,807).

SEG 8 - Capital Construction (Under-expenditure - \$33,489,108)

46. Actual expenditure came to \$116.3 million compared to revised estimate of \$149.8million, thus leaving an under-expenditure of about \$33.5 million. The major contributors to the under spending were: Public Utilities (\$22,632,950); Primary Industries (\$3,686,212); Works and Transport (\$1,887,360); Health (\$1,308,781); Lands and Minerals (\$735,325); Local Government (\$727,716); Prisons (\$604,389); Foreign Affairs (\$553,067); Provincial Development (\$437,907); RFMF (\$332,003); and Police (\$124,308).

SEG 9 - Capital Purchases (Under-expenditure - \$5,838,634)

47. 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 \$23.2 million compared to actual expenditure of \$17.4 million and therefore translates to an under-expenditure of \$5.8 million. The major contributors to the under spending were: Health (\$2,192,768); Miscellaneous (\$1,200,443); Finance (\$706,294); Works and Transport (\$575,381); RFMF (\$264,324); Public Utilities (\$236,451); PSC (\$171,459); Tourism (\$150,000); Attorney General (\$73,170); Labour (\$59,616); and Police (\$55,048).

SEG 10 - Capital Grants and Transfers (Under-expenditure - \$5,395,734)

48. 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 for or bound by performance agreements to perform. Actual expenditures came to \$79.0 million compared to the revised estimate of \$84.4 million, thus leaving an under-expenditure of \$5.4 million. Major savings were identified in the following Ministries: Office of the Prime Minister (\$1,058,700); Finance (\$937,677); Miscellaneous (\$878,406); Provincial Development (\$739,543); Public Utilities (\$662,761); Health (\$395,768); Primary Industries (\$333,689); Local Government (\$195,250); and Tourism (\$120,844).

SEG 11 - Pensions, Gratuities and Compassionate Allowances (Under-expenditure - \$3,095,146)

49. The revised estimate was \$38.6 million compared against the actual expenditure of \$35.5 million, and therefore resulting in an under-expenditure of \$3.1 million or 8 percent.

SEG 12 - Charges on Account of Public Debt (Under-expenditure – \$11,360,983)

50. Actual expenditure under this category amounted to \$428 million, which is about 2.6 percent or \$11.4 million below the revised estimate. Major under -spending occurred in the following categories: Interest Payment on Overseas Loans (\$3,984,194); Interest Payment on Domestic Loans (\$4,040,583); Treasury Bills Issues (\$2,433,380); and Miscellaneous Payments (\$879,761).

SEG 13 - VAT (Over-expenditure - \$4,173,058)

51. Actual expenditure amounted to \$51.4 million, compared to the revised estimate of \$47.3 million, therefore leaving an over-expenditure of \$4.1 million or 8.8 percent. Significant contributions to the over spending were by: Health (\$10,487,637) and Local Government (\$13,292). This over expenditure was offset by the savings in other Ministries and Departments.

V. Domestic and External Loans

52. Domestic borrowings totaled \$341,266,932 in 2008. In all, there were 15 development loans, which opened and closed on the same day. All stocks were offered at par.
53. 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
		2010-2011	2011-2013	2013-2015	2015-2018	2019-2023	2024-2028	Subscription
Loan No.1	23-Jan-08	3.50	6.10	0	6.50	6.78	7.10	\$49,997,747
Loan No.2	19-Mar-08	3.40	5.80	0	6.60	6.88	7.20	\$30,001,540
Loan No.3	7-May-08	3.25	5.90	0	6.70	7.00	7.23	\$30,000,000
Loan No.4	18-June-08	0	5.90	0	7.00	7.05	7.25	\$20,000,000
Loan No.5	23-Jul-08	0	5.90	0	7.05	7.10	7.30	\$20,000,000
Loan No.6	20-Aug-08	0	5.90	0	7.10	7.15	7.35	\$30,001,880
Loan No.7	3-Sep- 08	0	5.95	0	7.10	7.20	7.39	\$20,001,395
Loan No.8	12-Sep- 08	0	5.90	0	7.13	7.23	7.42	\$20,000,000
Loan No.9	8-Oct-08	3.20	5.87	0	7.16	7.27	7.46	\$30,002,120
Loan No.10	5-Nov-08	0	5.90	0	7.19	7.30	7.50	\$19,299,550
Loan No.11	19-Nov-08	0	5.90	0	7.22	7.33	7.53	\$20,000,700
Loan No.12	5-Dec-08	0	0	0	7.25	7.35	7.55	\$11,800,000
Loan No.13	17-Dec-08	0	0	0	7.50	7.80	8.50	\$13,052,000
Loan No.14	24-Dec-08	0	0	0	7.80	8.30	9.50	\$17,000,000
Loan No.15	31-Dec-08	6.50	0	0	8.80	9.30	10.50	\$10,110,000

Drawdown of External Loans

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

54. Drawings in 2008 amounted to \$7,332,602 with variable interest rate;

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

55. Drawings in 2008 amounted to \$7,465,853 with variable interest rate;

The Export –Import Bank of China – E - Government Project

56. Drawings in 2008 amounted to \$5,088,384 with fixed interest rate of 2%.

VI PUBLIC DEBT

(a) The raising of the following new loans:

- (i) The 2008 FDL Loan No.1 for \$50,000,000
- (ii) The 2008 FDL Loan No.2 for \$30,000,000
- (iii) The 2008 FDL Loan No.3 for \$30,000,000
- (iv) The 2008 FDL Loan No.4 for \$20,000,000
- (v) The 2008 FDL Loan No.5 for \$20,000,000
- (vi) The 2008 FDL Loan No.6 for \$30,000,000
- (vii) The 2008 FDL Loan No.7 for \$20,000,000
- (viii) The 2008 FDL Loan No.8 for \$20,000,000
- (ix) The 2008 FDL Loan No.9 for \$30,000,000
- (x) The 2008 FDL Loan No.10 for \$19,298,000
- (xi) The 2008 FDL Loan No.11 for \$20,000,000
- (xii) The 2008 FDL Loan No.12 for \$11,800,000
- (xiii) The 2008 FDL Loan No.13 for \$13,052,000
- (xiv) The 2008 FDL Loan No.14 for \$17,000,000
- (xv) The 2008 FDL Loan No.15 for \$10,110,000
- (xvi) Treasury Bills of a total par value of \$391,725,937 of which the par value of unredeemed bills at the end of 2008 was \$64,552,990 compared with an unredeemed value at the end of 2007 of \$141,160,433.

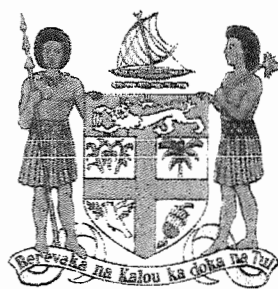
(b) The drawdown of funds in respect of previously contracted loans were as follows:

- (i) US\$5,163,469– ADB Loan No.2055 Suva/Nausori Water Supply & Sewerage Project;
- (ii) US\$4,657,849 – ADB Loan No.1530 Fiji Road Upgrading Project Stage III.
- (iii) CNY 22,577,740- EXIM Bank of China -E-Gov 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) \$3,800,000 - 1993 Fiji Development Loan No. 5
- (iii) \$3,000,000 - 1993 Fiji Development Loan No. 6
- (iv) \$4,000,000 – 1994 Fiji Development Loan No. 5
- (v) \$6,010,000 – 1994 Fiji Development Loan No. 9
- (vi) \$5,000,000 – 1995 Fiji Development Loan No. 2
- (vii) \$5,000,000 – 1995 Fiji Development Loan No. 6
- (viii) \$2,200,000 – 1996 Fiji Development Loan No. 1
- (ix) \$10,000,000 – 1996 Fiji Development Loan No. 4
- (x) \$11,190,000 – 1996 Fiji Development Loan No. 5
- (xi) \$5,700,000 – 1996 Fiji Development Loan No. 9
- (xii) \$5,000,000 – 1997 Fiji Development Loan No.2
- (xiii) \$9,100,000 – 1997 Fiji Development Loan No.4
- (xiv) \$5,000,000- 1997 Fiji Development Loan No.6
- (xv) \$5,100,000- 1997 Fiji Development Loan No.8
- (xvi) \$4,000,000- 2001 Fiji Development Loan No.1
- (xvii) \$4,000,000- 2001 Fiji Development Loan No.2
- (xviii) \$4,000,000- 2001 Fiji Development Loan No.3
- (xix) \$4,000,000- 2001 Fiji Development Loan No.4
- (xx) \$4,000,000- 2001 Fiji Development Loan No.5
- (xxi) \$2,000,000- 2001 Fiji Development Loan No.6
- (xxii) \$4,000,000- 2001 Fiji Development Loan No.7
- (xxiii) \$4,000,000- 2001 Fiji Development Loan No.8
- (xxiv) \$3,000,000- 2001 Fiji Development Loan No.9
- (xxv) \$4,000,000- 2001 Fiji Development Loan No.10
- (xxvi) \$4,000,000- 2001 Fiji Development Loan No.11
- (xxvii) \$5,000,000- 2001 Fiji Development Loan No.12
- (xxviii) \$2,000,000- 2003 Fiji Development Loan No.1
- (xxix) \$2,000,000- 2003 Fiji Development Loan No.2
- (xxx) \$3,000,000- 2003 Fiji Development Loan No.3
- (xxxi) \$3,000,000- 2003 Fiji Development Loan No.4
- (xxxii) \$2,000,000- 2003 Fiji Development Loan No.5
- (xxxiii) \$2,000,000- 2003 Fiji Development Loan No.6
- (xxxiv) \$2,000,000- 2003 Fiji Development Loan No.7
- (xxxv) \$2,000,000- 2003 Fiji Development Loan No.8
- (xxxvi) \$1,000,000- 2003 Fiji Development Loan No.9
- (xxxvii) \$1,000,000- 2003 Fiji Development Loan No.10
- (xxxviii) \$1,000,000- 2003 Fiji Development Loan No.11
- (xxxix) \$1,000,000- 2003 Fiji Development Loan No.12
- (xl) \$1,000,000- 2003 Fiji Development Loan No.13
- (xli) \$1,000,000- 2003 Fiji Development Loan No.14
- (xlii) \$1,000,000- 2003 Fiji Development Loan No.15
- (xliii) \$1,000,000- 2003 Fiji Development Loan No.16
- (xliv) \$1,000,000- 2003 Fiji Development Loan No.17
- (xlv) \$1,000,000- 2003 Fiji Development Loan No.18
- (xlvi) \$1,000,000- 2003 Fiji Development Loan No.19

- (xlvi) \$1,000,000- 2003 Fiji Development Loan No.20
- (xlvii) \$1,000,000- 2005 Fiji Development Loan No.1
- (xlviii) \$1,000,000- 2005 Fiji Development Loan No.2
- (li) \$3,800,000- 2005 Fiji Development Loan No.3
- (lii) \$4,000,000- 2005 Fiji Development Loan No.4
- (lii) \$2,000,000- 2005 Fiji Development Loan No.5
- (liii) \$2,000,000- 2005 Fiji Development Loan No.6
- (liv) \$1,000,000- 2005 Fiji Development Loan No.7
- (lv) \$1,100,000- 2005 Fiji Development Loan No.8
- (lvi) \$500,000- 2005 Fiji Development Loan No.9
- (lvii) \$1,000,000- 2005 Fiji Development Loan No.10
- (lviii) \$1,000,000- 2005 Fiji Development Loan No.11
- (lix) \$2,000,000- 2005 Fiji Development Loan No.12
- (lx) \$2,010,000- 2005 Fiji Development Loan No.13
- (lxi) \$1,000,000- 2005 Fiji Development Loan No.14
- (lxii) \$1,000,000- 2005 Fiji Development Loan No.15
- (lxiii) \$1,000,000- 2005 Fiji Development Loan No.16
- (lxiv) \$1,000,000- 2005 Fiji Development Loan No.17
- (lxv) \$1,000,000- 2005 Fiji Development Loan No.18
- (lxvi) \$2,000,000- 2005 Fiji Development Loan No.24
- (lxvii) \$2,000,000- 2005 Fiji Development Loan No.25
- (lxviii) EUR 98,325 – 1979 EEC Loan No.80042 Vanua Levu Road
- (lix) EUR 17,870 - 1979 EEC Loan No.80043 Regional Telecommunications
- (lxx) EUR 25,875 – 1979 EEC Loan No.80046 Outer Island Airstrips
- (lxxi) EUR 44,378-1979 EEC Loan No.80047 Outer Island Jetties
- (lxxii) EUR 31,050 – 1979 EEC Loan No.80051 Native Land Development Corporation
- (lxxiii) EUR 59,189 – 1984 Netherlands Investment Bank Loan
- (lxxiv) JPY118,044,800– 1988 ADB Loan No.912 Road Sector Maintenance Project
- (lxxv) EUR 92,621 – 1989 French Government Treasury Loan
- (lxxvi) EUR 92,192 – 1990 EEC Loan No.80309 Rural Electrification Programme
- (lxxvii) JPY114,273,610 – 1990 ADB Loan No.1005 Housing Authority Project
- (lxxviii) JPY88,005,400– 1993 ADB Loan No.1164 Fiji Road Upgrading Project II
- (lxxix) US\$702,164 / EUR 443,143 – 1993 IBRD Loan No. 3491 Fiji Road Upgrading Project II
- (lxxx) JPY47,074,000 – 1993 JBIC Exim Loan Fiji Road Upgrading Project II
- (lxxxi) US\$1,012,358 - 1998 ADB No.1530 Fiji Road Upgrading Project III Loan
- (lxxxii) EUR57,944– 1998 EIB Loan No.8033 Investment and Export Development Project
- (lxxxiii) JPY121,398,000- 1998 JBIC Nadi/Lautoka Regional Water Supply



WHOLE OF GOVERNMENT

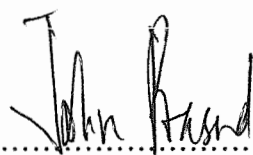
**FINANCIAL STATEMENTS, ANNUAL APPROPRIATION
STATEMENT AND ANNUAL BUDGET STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2008

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VII 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.

A handwritten signature in black ink, appearing to read 'John Prasad', is written over a horizontal dotted line.

John Prasad
Acting Permanent Secretary for Finance


GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF ASSETS & LIABILITIES
AS AT 31 DECEMBER 2008

Schedule 1

	Notes	31 December 2008 \$	31 December 2007 \$
CURRENT ASSETS			
Cash at Bank	2	151,632,524	42,307,686
Investments	3	440,255,991	429,861,896
TOTAL ASSETS		<u>591,888,515</u>	<u>472,169,582</u>
CURRENT LIABILITIES			
Trust Fund Account	4	57,796,286	64,442,713
Sinking Fund Account	4(i)	68,659,964	---
TOTAL LIABILITIES		<u>126,456,250</u>	<u>64,442,713</u>
NET ASSETS		<u>465,432,265</u>	<u>407,726,869</u>
 CONSOLIDATED FUND	 refer Schedule 2	 <u>465,432,265</u>	 <u>407,726,869</u>

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

Ministry of Finance
Suva, Fiji
10 September 2009



John Prasad
Acting Permanent Secretary for Finance

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
CONSOLIDATED FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 2

	Notes	31 December 2008 \$	31 December 2007 \$
RECEIPTS			
Operating Revenue	5	1,001,472,718	925,422,452
Value Added Tax	6	452,943,742	465,831,990
Borrowings	7	345,648,652	118,862,870
Treasury Bills Raised	8	391,725,937	685,889,234
Ways & Means	9	83,400,000	260,200,000
Receipts from Debtors	10	12,328,612	6,628,478
Capital Gain	11	10,394,096	83,232
TOTAL RECEIPTS		2,297,913,757	2,462,918,256
PAYMENTS			
Operating Expenditure	13	988,315,017	1,023,890,682
Capital Expenditure	14	212,747,865	193,683,674
Value Added Tax	15	51,443,023	103,023,281
Repayment of Loans	16	427,984,117	405,592,568
Redemption of Treasury Bills	8	468,333,380	686,040,488
Ways & Means	9	83,400,000	260,200,000
Loans made to Debtors	17	4,120,666	590,967
Revolving Fund Account Net Payments	12	8,087,876	34,651,971
TOTAL PAYMENTS		2,244,431,945	2,707,673,632
Surplus for the year		53,481,812	(244,755,376)
Correction of Fundamental Errors	18(a)	4,223,584	21,133,691
Balance as at 1 January		407,726,869	631,348,554
Balance as at 31 December	refer Schedule 1	465,432,265	407,726,869

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
TRUST FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 3(i)

	Notes	31 December 2008 \$	31 December 2007 \$
RECEIPTS			
Trust Fund Receipts		222,089,595	249,698,190
TOTAL RECEIPTS		<u>222,089,595</u>	<u>249,698,190</u>
PAYMENTS			
Trust Fund Payments		228,736,022	253,435,279
TOTAL PAYMENTS		<u>228,736,022</u>	<u>253,435,279</u>
(Deficit)/Surplus for the year		(6,646,428)	(3,737,089)
Balance as at 1 January		64,442,713	68,179,803
Balance as at 31 December	4	<u>57,796,286</u>	<u>64,442,713</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SINKING FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 3(ii)

	Notes	31 December 2008 \$	31 December 2007 \$
RECEIPTS			
Sinking Fund Receipts		68,659,965	530
TOTAL RECEIPTS		<u>68,659,965</u>	<u>530</u>
PAYMENTS			
Sinking Fund Payments		2,033	---
TOTAL PAYMENTS		<u>2,033</u>	<u>---</u>
(Deficit)/Surplus for the year		68,657,932	530
Balance as at 1 January		2,032	1,502
Balance as at 31 December	4(i)	<u>68,659,964</u>	<u>2,032</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 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 permanent secretary. 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 2008

Schedule 4

31 December
2008
\$

31 December
2007
\$

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	65,865,376	56,774,511
Overseas Agencies	121,299,138	52,855,117
Trading and Manufacturing Account	10,300,257	6,264,251
Cash Balance in Departmental Trust	13,738,076	---
Less: Unpresented Cheques	(59,570,322)	(73,586,193)
Net Cash	151,632,524	42,307,686

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
3. INVESTMENTS		
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.		
Investments as at year end were as follows:		
Investment Category		
Fully Commercial Co. (Profitable)	345,162,746	334,768,883
Fully Commercial Co. (Non-Profitable)	77,243,721	77,243,721
Semi-Commercial (Agro based)	9,428,838	9,428,606
Dormant Companies	2,000,000	2,000,000
Companies in Liquidation	6,420,686	6,420,686
Total Investments	<u>440,255,991</u>	<u>429,861,896</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	24,322,672	32,637,944
Trust Funds/Payroll Deductions	36,863,457	34,797,537
Less: Overdrawn Accounts	(3,389,843)	(2,992,767)
Total Trust Fund Account	<u>57,796,286</u>	<u>64,442,713</u>

4(i). SINKING FUND ACCOUNT

Government raised US\$150m through a 5 Year Global Bond Issuance in 2006 to finance budget deficit for 2007. As a prudent measure, Government set aside funds through a provision in the budget to be deposited into Sinking Fund to strengthen debt repayment capacity come 2011.

Category		
Transfers from Operating	50,046,966	---
Dividend on Investment	1,949,915	---
Foreign Exchange Gain or Appreciation	16,663,080	---
Closing Balance on RBF Sinking Fund	4	2,032
Total Trust Fund Account	<u>68,659,965</u>	<u>2,032</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
5. OPERATING REVENUE		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	438,546,900	438,337,401
Indirect Taxes	351,566,695	326,193,975
Fees, Fines & Charges	109,294,037	64,193,858
Operating Revenue - Sales	41,992	5,938
Other Receipts	34,501,043	31,807,970
Reimbursements & Recoveries	12,372,987	17,981,117
Grant Aid	12,624,668	3,518,679
Dividends from Investments	21,515,841	21,971,159
Repayments of Term Loans Receivable	4,864	39,121
Gain in Exchange Rate	722,239	---
Interest from Bank Balances	19,483,097	19,743,155
Return of Surplus Capital from Investment	798,352	1,630,080
Total Operating Revenue	<u>1,001,472,718</u>	<u>925,422,452</u>

6. VALUE ADDED TAX RECEIPTS	<u>452,943,742</u>	<u>465,831,990</u>
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These are the VAT revenue collected by the Fiji Islands Revenue & Customs Authority during the year.

7. BORROWINGS

Fifteen new loans were raised during the year locally, with their respective repayment periods ranging from 2010 to 2028 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>341,266,932</u>	<u>100,536,321</u>
	<u>341,266,932</u>	<u>100,536,321</u>
<i>Overseas Loans</i>		
ADB Fiji Road Upgrading III	3,609,702	9,289,839
ADB Suva/Nausori Water Supply & Sewage Project	772,019	9,036,711
Total Overseas Borrowings	<u>4,381,720</u>	<u>18,326,549</u>
TOTAL BORROWINGS	<u>345,648,652</u>	<u>118,862,870</u>

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

E government Project	5,088,384	---
Fiji Road Upgrading Project Stage III	6,560,583	---
ADB Alternative Livelihood Project	219,892	181,050
ADB Suva/Nausori Water Supply & Sewage Project	4,552,228	1,348,208
Total Overseas Borrowings	<u>16,421,086</u>	<u>1,529,258</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>391,725,937</u>	<u>685,889,234</u>
Treasury Bills Redemptions during the year	<u>468,333,380</u>	<u>686,040,488</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
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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	83,400,000	260,200,000
Ways and Means Repayments	83,400,000	260,200,000

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	32,609	7,133
Consumer Co-operative Societies	1,405	12,092
Copra Industry for Stabilisation of Earnings	468,731	170,005
Tertiary Education	9,490,542	4,065,951
Private Students	145,605	599,508
Advances to Ministers and Members of Parliament	63,453	35,356
Students Loan Scheme	1,607,534	1,380,997
Posts and Telecommunications	449,261	---
Viti Corp Limited	64,500	---
NLTB	108	---
Fiji Sports Council	---	357,435
	12,323,747	6,628,478
Interest	4,864	39,121
Total Receipts from Debtors	12,328,612	6,667,599

11. CAPITAL GAIN/LOSS

The capital gain resulted mainly from the increase in the value of Government investments in Airports (Fiji) Limited

Capital Gain	10,394,096	83,232
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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 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
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 2008 was \$14,922,000.</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	190,745	106,842
Revolving Fund Account - Other Admin	2,491	2,570
Revolving Fund Account - Miscellaneous	1,108,638,037	116,721,042
Revolving Fund Account - Inter-Departmental Clearance	2,196,412,091	2,290,609,455
Revolving Fund Account - TMA:		
Fiji Islands Maritime Safety Administration	19,083	16,766
Fiji Military Forces	38,068	158,055
Government Printing & Stationery Department	2,613,633	2,323,859
Government Supplies Department	12,121,528	10,547,331
Ministry of Agriculture & Land Resettlement	566,805	460,695
Ministry of Fisheries and Forests	87,999	139,448
Ministry of Health	594,073	282,332
Ministry of Trade & Commerce	48,186	11,380
Public Works and Infrastructure	22,124,595	16,098,507
Total	3,343,457,332	2,437,478,282
b) <i>Revolving Fund Payments:</i>		
Revolving Fund Account - Imprests	193,416	104,419
Revolving Fund Account - Other Admin	51,567	53,511
Revolving Fund Account - Miscellaneous	1,104,814,733	148,398,921
Revolving Fund Account - Inter-Departmental Clearance	2,196,412,091	2,290,609,455
Revolving Fund Account - TMA:		
Fiji Islands Maritime Safety Administration	9,817	7,791
Fiji Military Forces	46,391	154,200
Government Printing & Stationery Department	2,459,859	1,444,974
Government Supplies Department	21,295,035	16,349,424
Ministry of Agriculture & Land Resettlement	539,034	388,180
Ministry of Fisheries and Forests	76,198	58,005
Ministry of Health	170,233	220,857
Ministry of Trade & Commerce	11,610	7,528
Public Works and Infrastructure	25,465,224	14,332,988
Total	3,351,545,208	2,472,130,253
Revolving Fund Account Net (Payments)/Receipts	(8,087,876)	(34,651,971)

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
13. OPERATING EXPENDITURE		
The operating expenditure of Government includes the following:		
Established Staff	508,658,127	522,911,393
Unestablished Staff	56,087,955	61,737,896
Travel and Communications	17,271,925	19,045,742
Maintenance and Operations	87,151,178	90,094,524
Purchase of Goods and Services	54,749,777	74,508,884
Operating Grants and Transfers	191,894,032	176,984,457
Special Expenditures	36,968,970	43,039,626
Pensions, Gratuities and Compassionate Allowances	35,533,054	35,568,160
Total Operating Expenditure	<u>988,315,017</u>	<u>1,023,890,682</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	116,331,843	95,157,370
Capital Purchase	17,381,169	11,989,440
Capital Grants and Transfers	79,034,853	86,536,864
Total Capital Expenditures	<u>212,747,865</u>	<u>193,683,674</u>
15. VALUE ADDED TAX EXPENDITURE	<u>51,443,023</u>	<u>103,023,281</u>
These are the VAT payments made by Ministries/Departments to the 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	20,787,406	22,201,747
Domestic Loans	147,383,717	148,023,033
Treasury Bills	566,620	10,817,012
Total Interest Paid	<u>168,737,743</u>	<u>181,041,792</u>
<i>Principal Repayments:</i>		
Overseas Loans	62,520,735	17,126,498
Domestic Loans	191,210,000	204,992,000
Total Principal Repayments	<u>253,730,735</u>	<u>222,118,498</u>
Others	5,515,639	2,432,279
Total Charges on Account of Public Debt	<u>427,984,117</u>	<u>405,592,568</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
17. NEW AND ADDITIONAL LOANS		
Additional loans and new loans that were provided in 2008 from recurrent loan provisions include the following:		
Advances to Public Officers	258	5,605
Consumer Co-operative Societies	5,000	11,277
Copra Industry for Stabilisation of Earnings	---	53,466
Tertiary Education	2,637,042	17,194
Advances to Ministers and Members of Parliament	10,058	---
Students Loan Scheme	1,242,267	421,855
Private Students	226,041	81,295
Fiji Development Bank	---	275
Total Loans Given	<u>4,120,666</u>	<u>590,967</u>

18. ADJUSTMENTS

a) <i>Correction of Fundamental Errors</i>	<u>4,223,584</u>	<u>21,133,691</u>
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These are unsubstantiated understated expenditures arising from adjustments of the General Ledger for Cash at Bank and Lending Fund.

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 31/12/08 are as follows:

Domestic Loans	2,346,258,150	2,196,208,150
Treasury Bills	64,552,990	141,160,433
Overseas Loans	449,038,246	390,113,454
Total Government Debt	<u>2,859,849,386</u>	<u>2,727,482,037</u>

In addition to the above cash loans, other loan outstanding as at 31/12/08 are:

Overseas Loans - interest capitalised and loan-in-kind	16,359,264	6,989,930
- direct cash disbursed to contractors	10,596,906	
	<u>26,956,170</u>	<u>6,989,930</u>

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 4

	31 December 2008 \$	31 December 2007 \$
20. ARREARS OF REVENUE		
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.		
The Arrears of Revenue position of Government as at 31/12/08 are as follows:		
Agriculture	3,978,918	4,060,579
Auditor-General	263,926	424,929
Communications	1,096,944	97,918
Co-operatives	176,053	62,304
Education	5,181	4,849
Fiji Islands Maritime Safety Administration	104,477	118,531
Fiji Islands Revenue & Customs Authority - Customs	4,170,038	3,599,648
Fiji Islands Revenue & Customs Authority - IRD	86,348,514	105,407,504
Provincial Development, Indigenous and Multi Ethnic Affairs	514,423	455,065
Finance	426,963	474,063
Government Printing and Stationery Department	80,356	116,519
Government Supplies Department	258,428	423,605
Health	657,150	874,258
Immigration	14,401	12,376
Information Technology & Computing Services	3,300	9,114
Judicial	10,574,640	9,487,238
Labour and Industrial Relation	102,382	91,185
Lands Crown Rent	10,223,341	11,164,679
Loans: <i>Rewa Rice Ltd.</i>	225,382	225,382
Meteorological Services	4,565,163	4,297,547
Police	20,633	8,131
Prisons	425	912
Public Works and Infrastructure	32,355,792	29,636,128
MFO Sinai	1,567,025	1,325,031
Total Arrears of Revenue	157,733,855	172,377,495

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
AS AT 31 DECEMBER 2008

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2008	Liability as at 31/12/2008
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; 28/11/06; IGCP 15/01/08; IGCP 02/12/08.....	347,074,757	347,074,757
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; IGCP26/2/08; IGCP 28/07/08.....	330,000,000	235,767,426
Fiji Hardwood Corporation	Guarantee of Loan Raised	Approved of the House of Representatives 16/10/03; 9/8/06.....	12,800,000	12,571,353
Fiji National Provident Fund	Guarantee of Contributors	Act No. 19 of 1966 Section 9.....	2,618,006,433	2,618,006,433
Fiji Pine Limited	Guarantee of Loans Raised	Approval of House of Representatives dated 06/12/1994; 17/08/05.....	15,700,000	11,928,843
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; 10/8/06; IGCP20/05/08.....	126,000,000	65,157,441
Housing Authority	Guarantee of Loans Raised	Approval of House of Representatives 24/10/02; 27/08/03; 29/11/05.....	142,000,000	90,213,447
Fiji Sports Council		Approval of House of Representatives 19/05/06	2,990,000	1,648,409
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	43,585,421
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	3,361,125
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	4,295,442
Section A Total.....			3,671,406,681	3,440,769,317

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
AS AT 31 DECEMBER 2008

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2008	Liability as at 31/12/2008
SECTION B- International Agencies-			\$	\$
Asian Development Bank	Subscription for Membership	Resolutions of Legislative Council 24/3/70; Act No. 34 of	30,023,015	30,023,015
International Bank for Reconstruction & Development	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	27,788,595	27,788,595
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.....	58,318,701	58,318,701

SUMMARY -

Section A	3,671,406,681	3,440,769,317
Section B	58,318,701	58,318,701
Total	3,729,725,382	3,499,088,018

Note:

In addition to the above Contingent Liabilities, Reported Claims Against Government as at 31 December 2008 was approximately \$16.5 million.

NBF AMB-\$16,393,718	16,393,718.00
From Office of Solicitor General	115,277.10
	16,508,995.10

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
BUDGET RESULT
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 6

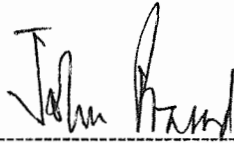
	Estimate 2008 \$	Actual 2008 \$	Increase / (Decrease) \$
REVENUE			
Operating Revenue	1,384,234,100	1,412,410,799	28,176,699
Investing Revenue	27,216,200	42,524,394	15,308,194
Public Debt - New Borrowings	370,198,000	345,648,652	(24,549,348)
TOTAL REVENUE	<u>1,781,648,300</u>	<u>1,800,583,846</u>	<u>18,935,546</u>
EXPENDITURE			
Operating Expenditure	1,036,632,194	988,315,017	(48,317,177)
Capital Expenditure	257,471,341	212,747,865	(44,723,476)
Value Added Tax	47,269,965	51,443,023	4,173,058
Public Debt Repayments	439,345,100	427,984,117	(11,360,983)
TOTAL EXPENDITURE	<u>1,780,718,600</u>	<u>1,680,490,023</u>	<u>(100,228,577)</u>
BUDGET RESULT	<u>929,700</u>	<u>120,093,824</u>	<u>119,164,124</u>

Note:

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

- Capital Expenditure includes SEGs 8 - 10.

Ministry of Finance
Suva, Fiji
10 September 2009



John Prasad
Acting Permanent Secretary for Finance

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 7

Heads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 Direct Taxes.....	456,910,900	438,546,900	---	18,364,000
22 Indirect Taxes.....	795,154,900	804,510,437	9,355,537	---
23 Fees, Fines & Charges.....	84,792,000	109,294,037	24,502,037	---
24 Operating Revenue Sales.....	12,000	41,992	29,992	---
27 Other Receipts.....	35,405,000	34,501,043	---	903,957
28 Reimbursements & Recoveries.....	9,826,400	12,891,721	3,065,321	---
29 Grant Aid.....	2,132,900	12,624,668	10,491,768	---
Operating Revenue Total.....	1,384,234,100	1,412,410,799	47,444,656	19,267,956
INVESTING REVENUE				
31 Repayments of Term Loans Receivable.....	160,800	4,864	---	155,936
33 Dividends from Investments.....	25,215,300	21,515,841	---	3,699,459
34 Interest from Bank Balances.....	210,000	19,483,097	19,273,097	---
35 Return of Surplus Capital from Investment....	1,630,100	798,352	---	831,748
38 Gain in Exchange Rate	---	722,239	722,239	---
Investing Revenue Total.....	27,216,200	42,524,394	19,995,336	4,687,142
LOAN PROCEEDS				
15. Overseas Loans.....	---	4,381,720	4,381,720	---
16. Domestic Loans.....	370,198,000	341,266,932	---	28,931,068
Loans Revenue Total.....	370,198,000	345,648,652	4,381,720	28,931,068
Total Revenue.....	1,781,648,300	1,800,583,846	71,821,712	52,886,166

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 - DIRECT TAXES				
1. Income Tax				
01. Income Tax.....	456,910,900	438,546,900.42	---	18,363,999.58
2. Estate and Gift Duty				
01. Estate and Gift Duty.....	---	---	---	---
Total.....	456,910,900	438,546,900.42	---	18,363,999.58
<i>Net Decrease</i>			---	18,363,999.58
22 - INDIRECT TAXES				
1. Value Added Tax				
01. Value Added Tax.....	422,353,100	452,943,742.46	30,590,642.46	---
2. Fiscal Duty				
01. Fiscal Duty.....	348,927,300	226,002,384.65	---	122,924,915.35
3. Excise Dues				
01. Excise Dues.....	23,874,500	78,421,628.28	54,547,128.28	---
4. Export Duty				
01. Export Duty.....	---	9,986,802.08	9,986,802.08	---
5. Import Duty				
01. Import Duty.....	---	19,185,688.96	19,185,688.96	---
6. Hotel Turnover Tax				
01. Hotel Turnover Tax.....	---	20,079,638.32	20,079,638.32	---
99. Miscellaneous Fees and Receipts				
01. Miscellaneous Fees and Receipts.....	---	(2,109,447.73)	---	2,109,447.73
Total.....	795,154,900	804,510,437.02	134,389,900.10	125,034,363.08
<i>Net Increase</i>			9,355,537.02	---
23 - FEES, FINES & CHARGES				
01. Dues				
01. Light Due - Port & Harbour.....	403,300	449,404.54	46,104.54	---
02. Stamp Duty				
01. Stamp Duty.....	16,024,100	17,629,916.24	1,605,816.24	---
03. Fees				
01. Produce and Inspection.....	1,108,700	1,723,555.76	614,855.76	---
02. Native Timber Measurement.....	750,300	624,874.12	---	125,425.88
03. Land and Survey Fees.....	339,400	203,244.53	---	136,155.47
04. Mining Fees.....	25,400	59,625.03	34,225.03	---
06. Passports.....	7,381,900	6,245,664.85	---	1,136,235.15
07. Town Planning Fees.....	228,900	353,909.44	125,009.44	---
08. Examination Fees.....	31,600	22,378.24	---	9,221.76
09. Government Day Schools-Fees.....	681,600	756,125.05	74,525.05	---
10. Government Boarding Schools-Fees.....	498,400	463,674.43	---	34,725.57
11. Health Fumigation and Quarantine.....	165,500	147,652.74	---	17,847.26
12. Hospital.....	1,081,300	864,306.52	---	216,993.48
13. Fiji School of Nursing.....	161,500	843,846.38	682,346.38	---
14. Cemetery Fees.....	35,000	42,862.10	7,862.10	---
15. Air Licensing Fees.....	10,300	10,620.00	320.00	---
16. Departure Tax.....	8,559,400	15,546,614.30	6,987,214.30	---
17. Audit Fees.....	328,600	470,214.51	141,614.51	---
18. Court Fees.....	1,181,200	1,116,495.72	---	64,704.28
19. Registration.....	442,300	456,672.25	14,372.25	---
20. Management Fee.....	156,600	409,714.27	253,114.27	---
21. LTA Fee.....	17,000,000	19,081,740.68	2,081,740.68	---
99. Miscellaneous Fees.....	2,381,100	1,552,912.78	---	828,187.22

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
04. Licenses				
01. Arms.....	69,900	32,645.87	---	37,254.13
03. Coasting.....	10,400	10,125.86	---	274.14
05. Liquor.....	298,500	713,908.16	415,408.16	---
06. Trading.....	213,400	193,587.25	---	19,812.75
07. Dogs.....	12,900	5,474.47	---	7,425.53
09. Money Lenders.....	34,300	30,860.55	---	3,439.45
10. Hotels and Guest Houses.....	83,900	139,146.15	55,246.15	---
12. Telecommunications and Television.....	6,000,000	19,631,193.21	13,631,193.21	---
13. Fishing.....	600,000	661,550.83	61,550.83	---
15. Copyright.....	---	177.78	177.78	---
99. Other.....	29,900	45,945.69	16,045.69	---
05. Rates - Public Works				
01. Water & Sewerage Rates and Charges.....	16,891,800	16,747,386.76	---	144,413.24
02. Sewerage Charges.....	124,700	(104,631.98)	---	229,331.98
06. Fees Royalties				
01. Royalties Timber.....	600	---	---	600.00
03. Royalties - Sand, Coral, Metal, etc.....	28,400	13,821.36	---	14,578.64
07. Fines				
01. Fines.....	1,400,000	2,055,319.03	655,319.03	---
08. Administrative Fines and Penalty				
01. Overdue, lost & damaged library books.....	1,400	10,739.79	9,339.79	---
02. Administrative Fines and Forfeitures.....	15,500	30,761.58	15,261.58	---
Total.....	84,792,000	109,294,036.84	27,528,662.77	3,026,625.93
Net Increase.....			24,502,036.84	---
24 - OPERATING REVENUE - SALES				
01. Sale of Government Department.....	6,000	40,153.87	34,153.87	---
02. Sale of Companies.....	6,000	1,838.34	---	4,161.66
Total.....	12,000	41,992.21	34,153.87	4,161.66
Net Increase.....			29,992.21	---
27 - OTHER REVENUE AND SURPLUSES				
01. Surplus/Deficit from Agency				
01. RBF Revaluation Reserve Account.....	7,000,000	2,782,229.50	---	4,217,770.50
04. Fumigation.....	---	7,818.12	7,818.12	---
06. Woodwork and Materials.....	100	5,327.00	5,227.00	---
07. NBF Profits.....	---	---	---	---
02. Rent and Hire of Government Property				
01. Land.....	9,635,700	11,590,736.03	1,955,036.03	---
02. Official Quarters.....	1,428,200	1,468,530.95	40,330.95	---
03. Building.....	97,200	91,804.32	---	5,395.68
04. Hire of Plant and Vehicles.....	40,000	23,140.24	---	16,859.76
05. Hire of Vessels and Punts.....	---	4,960.83	4,960.83	---
06. Revenue from Rest Houses.....	3,200	3,572.65	372.65	---
07. Crown Schedule 'A' Land Rents.....	11,500	21,046.74	9,546.74	---
03. Commission Revenue				
01. Commission.....	1,124,200	928,094.16	---	196,105.84
99. Other Revenue				
01. Photographs.....	300	---	---	300.00
02. Sales of Publications.....	230,500	180,756.26	---	49,743.74
03. Revenue from Production of Films.....	19,400	9,486.52	---	9,913.48
04. Survey & Sales of Navigation Publications.....	1,308,300	305,881.77	---	1,002,418.23
05. Meat Inspection.....	37,100	30,491.25	---	6,608.75

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
06. Veterinary and Animal Quarantine.....	49,800	19,650.13	---	30,149.87
07. Freight and Charter Receipts.....	221,700	182,671.84	---	39,028.16
08. Chemical Assay.....	8,200	2,608.95	---	5,591.05
09. Valuation Fees.....	7,900	10,970.90	3,070.90	---
10. Produce-Agricultural Experimental Stations.....	39,800	50,656.09	10,856.09	---
11. Sale of Surplus Farm Produce.....	13,400	21,166.02	7,766.02	---
12. Agricultural Commercial Undertakings.....	2,000	4,699.31	2,699.31	---
13. Sale of Fish and Ice.....	291,200	235,084.92	---	56,115.08
14. Sale of Sheep and Wool.....	59,300	40,386.41	---	18,913.59
16. Fiji College of Agriculture.....	23,700	14,684.54	---	9,015.46
17. Agricultural Landlord and Tenant Tribunal.....	---	4,421.94	4,421.94	---
20. Board Members Fees.....	21,400	74,314.87	52,914.87	---
99. Other.....	13,730,900	16,385,851.18	2,654,951.18	---
Total.....	35,405,000	34,501,043.44	4,759,972.63	5,663,929.19
Net Decrease			---	903,956.56
28 - REIMBURSEMENT AND RECOVERIES				
11. Reimbursement of Services				
01. Reimbursement for Meteorological Services.....	909,700	961,485.30	51,785.30	---
02. Reimbursement of Services.....	18,200	---	---	18,200.00
03. Reimbursement of Debt Servicing.....	507,900	2,627,977.79	2,120,077.79	---
99. Reimbursement Others.....	---	212,413.00	212,413.00	---
12. Refund of Payments				
01. Training & Productivity Authority of Fiji.....	3,200	369,596.52	366,396.52	---
02. Government Employees' Provident Fund.....	200	-	---	200.00
03. Recoveries of Overpayments in Previous Years.....	1,810,300	1,461,339.15	---	348,960.85
21. Contributions				
01. Parental Contributions Tertiary Education.....	---	500.00	500.00	---
22. Contributions for Capital Projects				
01. Village Water Supplies.....	67,000	117,033.75	50,033.75	---
02. Rural Electrification.....	100	---	---	100.00
03. 1/3 Contribution.....	9,800	---	---	9,800.00
23. Contributions for Overseas Peace-Keeping				
02. Multinational Force and Observers.....	6,500,000	7,141,375.57	641,375.57	---
Total.....	9,826,400	12,891,721.08	3,442,581.93	377,260.85
Net Increase			3,065,321.08	---
29 - GRANTS IN AID				
01. Australian Development Grants.....	82,100	2,115,516.40	2,033,416.40	---
02. New Zealand Bilateral Aid Programme.....	---	150,609.19	150,609.19	---
03. United Nations Development Programme.....	433,500	358,928.62	---	74,571.38
05. Japanese Government Grant	---	6,423.21	6,423.21	---
99. Other Grant Aid.....	1,617,300	9,993,190.96	8,375,890.96	---
Total.....	2,132,900	12,624,668.38	10,566,339.76	74,571.38
Net Increase			10,491,768.38	---
Total Operating Revenue.....	1,384,234,100	1,412,410,799.39	47,444,655.53	19,267,956.14
INVESTING REVENUE				
31 - REPAYMENTS OF TERM LOANS RECEIVABLE				
01. Interest on Term Loans.....	160,800	4,864.49	---	155,935.51
Total.....	160,800	4,864.49	---	155,935.51
Net Increase			---	155,935.51

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
33 - DIVIDENDS FROM INVESTMENTS				
01. Investments in Social Services.....	750,000	39,000.00	---	711,000.00
02. Investments in Economic Services.....	9,050,000	6,354,128.31	---	2,695,871.69
03. Investments in Infrastructure Services.....	15,415,300	15,122,713.18	---	292,586.82
Total.....	25,215,300	21,515,841.49	---	3,699,458.51
Net Increase			---	3,699,458.51
34 - INTEREST FROM BANK BALANCES				
01. Interest from Local Bank Balances.....	210,000	---	---	210,000.00
02. Interest from Local Bank	---	19,370,597.15	19,370,597.15	---
03. Interest from T/D with Local Bank	---	112,500.00	112,500.00	---
Total.....	210,000	19,483,097.15	19,483,097.15	210,000.00
Net Increase			19,273,097.15	---
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS				
74. Return of Surplus Capital from TMA Operations.....	1,630,100	798,351.97	---	831,748.03
Total.....	1,630,100	798,351.97	---	831,748.03
Net Increase			---	831,748.03
38 - GAIN IN EXCHANGE RATE				
01. Overseas Banks				
01. Bank in Australia.....	---	23,617.53	23,617.53	---
03. Bank in India.....	---	443,895.57	443,895.57	---
04. Bank in Japan.....	---	14,194.43	14,194.43	---
05. Bank in New Zealand.....	---	23,329.02	23,329.02	---
08. Bank in America.....	---	108,821.42	108,821.42	---
09. Bank in Malaysia.....	---	19,099.42	19,099.42	---
11. Bank in PNG.....	---	89,281.91	89,281.91	---
Total.....	---	722,239.30	722,239.30	---
Net Increase			722,239.30	---
Total Operating Revenue.....	27,216,200	42,524,394.40	19,995,336.45	4,687,142.05
41 - OVERSEAS LOANS				
1. International Development Bank Loans				
01. ADB Loan No. 1530 Fiji Road Upgrading Project (FRUP III).....	---	772,018.52	772,018.52	---
02. ADB Loan Suva/Nausori Water Supply.....	---	3,609,701.93	3,609,701.93	---
Total.....	---	4,381,720.45	4,381,720.45	---
Net Increase			4,381,720.45	---
42 - DOMESTIC LOANS				
01. Development and Conversion Loans.....	370,198,000	341,266,932.00	---	28,931,068.00
Total.....	370,198,000	341,266,932.00	---	28,931,068.00
Net Increase			---	28,931,068.00
Total Borrowing Proceeds.....	370,198,000	345,648,652.45	4,381,720.45	28,931,068.00
Grand Total.....	1,781,648,300	1,800,583,846.24	205,308,667.96	186,373,121.72
Net Increase			18,935,546.24	---
SUMMARY OF REVENUE				
Operating Revenue.....	1,384,234,100	1,412,410,799.39	47,444,655.53	19,267,956.14
Investing/Loans Revenue.....	397,414,200	388,173,046.85	24,377,056.90	33,618,210.05
Grand Totals.....	1,781,648,300	1,800,583,846.24	71,821,712.43	52,886,166.19

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2008	Increase	Decrease
	\$	\$	\$	\$
33 - DIVIDENDS FROM INVESTMENTS				
01. Investments in Social Services.....	750,000	39,000.00	---	711,000.00
02. Investments in Economic Services.....	9,050,000	6,354,128.31	---	2,695,871.69
03. Investments in Infrastructure Services.....	15,415,300	15,122,713.18	---	292,586.82
Total.....	25,215,300	21,515,841.49	---	3,699,458.51
Net Increase			---	3,699,458.51
34 - INTEREST FROM BANK BALANCES				
01. Interest from Local Bank Balances.....	210,000	---	---	210,000.00
02. Interest from Local Bank	---	19,370,597.15	19,370,597.15	---
03. Interest from T/D with Local Bank	---	112,500.00	112,500.00	---
Total.....	210,000	19,483,097.15	19,483,097.15	210,000.00
Net Increase			19,273,097.15	---
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS				
74. Return of Surplus Capital from TMA Operations.....	1,630,100	798,351.97	---	831,748.03
Total.....	1,630,100	798,351.97	---	831,748.03
Net Increase			---	831,748.03
38 - GAIN IN EXCHANGE RATE				
01. Overseas Banks				
01. Bank in Australia.....	---	23,617.53	23,617.53	---
03. Bank in India.....	---	443,895.57	443,895.57	---
04. Bank in Japan.....	---	14,194.43	14,194.43	---
05. Bank in New Zealand.....	---	23,329.02	23,329.02	---
08. Bank in America.....	---	108,821.42	108,821.42	---
09. Bank in Malaysia.....	---	19,099.42	19,099.42	---
11. Bank in PNG.....	---	89,281.91	89,281.91	---
Total.....	---	722,239.30	722,239.30	---
Net Increase			722,239.30	---
Total Operating Revenue.....	27,216,200	42,524,394.40	19,995,336.45	4,687,142.05
41 - OVERSEAS LOANS				
1. International Development Bank Loans				
01. ADB Loan No. 1530 Fiji Road Upgrading Project (FRUP III).....	---	772,018.52	772,018.52	---
02. ADB Loan Suva/Nausori Water Supply.....	---	3,609,701.93	3,609,701.93	---
Total.....	---	4,381,720.45	4,381,720.45	---
Net Increase			4,381,720.45	---
42 - DOMESTIC LOANS				
01. Development and Conversion Loans.....	370,198,000	341,266,932.00	---	28,931,068.00
Total.....	370,198,000	341,266,932.00	---	28,931,068.00
Net Increase			---	28,931,068.00
Total Borrowing Proceeds.....	370,198,000	345,648,652.45	4,381,720.45	28,931,068.00
Grand Total.....	1,781,648,300	1,800,583,846.24	205,308,667.96	186,373,121.72
Net Increase			18,935,546.24	---
SUMMARY OF REVENUE				
Operating Revenue.....	1,384,234,100	1,412,410,799.39	47,444,655.53	19,267,956.14
Investing/Loans Revenue.....	397,414,200	388,173,046.85	24,377,056.90	33,618,210.05
Grand Totals.....	1,781,648,300	1,800,583,846.24	71,821,712.43	52,886,166.19

**GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2008**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Revised Estimate	Actual Expenditure 2008	(Over) / Under Expenditure
GENERAL ADMINISTRATION	\$	\$	\$	\$	\$	\$
Office of the President	1,569,300	---	---	1,569,300	1,307,183	262,117
Office of the Prime Minister	5,147,700	---	---	5,147,700	3,303,022	1,844,678
Public Service Commission	12,296,100	(1,500,000)	---	10,796,100	9,779,938	1,016,162
Office of the Attorney-General and Solicitor General	10,251,000	---	---	10,251,000	8,928,071	1,322,929
Ministry of Finance, National Planning & Sugar Industry	90,240,200	(1,573,300)	---	88,666,900	83,155,307	5,511,593
Ministry of Provincial Development, Indigenous and Multi Ethnic Affairs	45,905,500	3,552,160	---	49,457,660	45,303,389	4,154,271
Ministry of Defence, National Security and Immigration	5,318,600	---	---	5,318,600	3,821,387	1,497,213
Ministry of Labour, Industrial Relations and Employment	7,882,200	---	---	7,882,200	6,896,955	985,245
Ministry of Foreign Affairs, International Cooperation and Civil Aviation	20,941,100	(1,433,904)	---	19,507,196	18,252,578	1,254,619
Office of the Auditor-General	3,174,000	---	---	3,174,000	2,800,740	373,260
Elections Office	4,241,100	(2,812,500)	---	1,428,600	841,593	587,007
Judiciary	12,384,200	---	---	12,384,200	10,989,529	1,394,671
Legislature	1,019,800	---	---	1,019,800	948,086	71,714
Office of the Ombudsman	1,479,900	---	---	1,479,900	1,407,035	72,865
Office of the Director of Public Prosecutions	4,641,800	---	---	4,641,800	4,070,240	571,560
Ministry of Justice	15,773,200	---	---	15,773,200	14,927,819	845,381
Department of Information	4,422,700	---	---	4,422,700	4,398,793	23,907
Fiji Military Force	81,521,800	(168,750)	---	81,353,050	84,044,973	(2,691,923)
Fiji Police Force	70,530,500	2,285,567	---	72,816,067	80,772,472	(7,956,405)
Total for General Administration	398,740,700	(1,650,727)	---	397,089,973	385,949,109	11,140,864
SOCIAL SERVICES						
Ministry of Education, National Heritage, Culture and Arts	296,494,100	8,441,841	---	304,935,941	291,133,319	13,802,622
Ministry of Health, Women and Social Welfare	163,868,400	2,683,930	---	166,552,330	162,341,458	4,210,872
Ministry of Local Government, Urban Development and Housing	11,417,000	(2,250,000)	---	9,167,000	7,732,276	1,434,724
Ministry of Youth and Sports	4,553,600	---	---	4,553,600	3,946,213	607,387
Total for Social Services	476,333,100	8,875,771	---	485,208,871	465,153,266	20,055,605

**GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2008**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Revised Estimate	Actual Expenditure 2008	(Over) / Under Expenditure
ECONOMIC SERVICES	\$	\$	\$	\$	\$	\$
Ministry of Primary Industry	58,771,600	(2,156,250)	---	56,615,350	48,295,371	8,319,979
Ministry of Lands, Mineral Resources and Environment	40,751,900	3,308,434	---	44,060,334	39,420,113	4,640,221
Ministry of Industry, Tourism, Trade and Communication	31,277,000	(2,081,250)	---	29,195,750	25,983,122	3,212,628
Total for Economic Services	130,800,500	(929,066)	---	129,871,434	113,698,605	16,172,829
INFRASTRUCTURE SERVICES						
Ministry of Works and Transport	138,753,500	3,168,000	---	141,921,500	133,390,686	8,530,814
Department of Public Utilities and Energy	112,416,300	(10,260,000)	---	102,156,300	80,786,966	21,369,334
Total for Economic Services	251,169,800	(7,092,000)	---	244,077,800	214,177,652	29,900,148
UNALLOCABLE						
Miscellaneous Services	45,131,200	796,022	570,000	46,497,222	37,994,220	8,503,002
Pensions, Gratuities and Compassionate Allowances	38,628,200	---	---	38,628,200	35,533,054	3,095,146
Charges on Account of Public Debt	439,345,100	---	---	439,345,100	427,984,117	11,360,983
Total for Unallocable Services	523,104,500	796,022	570,000	524,470,522	501,511,390	22,959,132
GRAND TOTALS	1,780,148,600	---	570,000	1,780,718,600	1,680,490,023	100,228,577

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
FOR THE YEAR ENDED 31 DECEMBER 2008

Schedule 10

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Virements	Revised Estimate	Actual Expenditure 2008	(Over) / Under Expenditure
SUMMARY BY SEGs							
1. Established Staff	527,796,500	---	---	(4,357,326)	523,439,174	508,658,127	14,781,047
2. Unestablished Staff	61,740,000	---	---	882,106	62,622,106	56,087,955	6,534,151
3. Travel and Communications	18,928,900	---	---	585,173	19,514,073	17,271,925	2,242,148
4. Maintenance and Operations	78,310,900	5,574,165	---	1,986,303	85,871,368	87,151,178	(1,279,810)
5. Purchase of Goods and Services	56,598,700	(280,000)	---	428,878	56,747,578	54,749,777	1,997,801
6. Operating Grants and Transfers	190,466,200	9,509,033	550,000	2,368,489	202,893,722	191,894,032	10,999,690
7. Special Expenditures	52,208,000	(7,325,701)	---	2,033,674	46,915,973	36,968,970	9,947,003
8. Capital Construction	162,102,300	(10,750,000)	---	(1,531,349)	149,820,951	116,331,843	33,489,108
9. Capital Purchase	19,169,100	2,544,071	---	1,506,632	23,219,803	17,381,169	5,838,634
10. Capital Grants and Transfers	86,452,800	1,441,982	20,000	(3,484,195)	84,430,587	79,034,853	5,395,734
11. Pensions, Gratuities and Compassionate Allowances	38,628,200	---	---	---	38,628,200	35,533,054	3,095,146
12. Charges on Account of Public Debt	439,345,100	---	---	---	439,345,100	427,984,117	11,360,983
13. Value Added Tax	48,401,900	(713,550)	---	(418,385)	47,269,965	51,443,023	(4,173,058)
Grand Total	1,780,148,600	---	570,000	---	1,780,718,600	1,680,490,023	100,228,577

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
BUDGET RESULT, ESTIMATE AND PROJECTIONS
FOR THE PERIOD 2006 - 2010

Schedule 11

	Actual 2006 \$	Actual 2007 \$	Estimate 2008 \$	Projected 2009 \$	Projected 2010 \$
REVENUE					
Operating Revenue	1,329,907,255	1,347,870,927	1,384,234,100	1,431,270,400	1,477,116,900
Investing Revenue	71,416,432	43,383,515	27,216,200	25,006,200	25,006,200
Public Debt - New Borrowings	633,884,155	118,862,870	370,198,000	355,291,200	238,415,800
TOTAL REVENUE	<u>2,035,207,842</u>	<u>1,510,117,312</u>	<u>1,781,648,300</u>	<u>1,811,567,800</u>	<u>1,740,538,900</u>
EXPENDITURE					
Operating Expenditure	1,088,878,569	1,023,890,682	1,036,632,194	992,913,400	991,263,400
Capital Expenditure	212,641,756	193,683,674	257,471,341	154,993,500	139,355,500
Value Added Tax	113,689,054	103,023,281	47,269,965	35,584,900	33,423,900
Public Debt Repayments	334,260,535	405,592,568	439,345,100	454,344,400	399,315,500
TOTAL EXPENDITURE	<u>1,749,469,914</u>	<u>1,726,190,206</u>	<u>1,780,718,600</u>	<u>1,637,836,200</u>	<u>1,563,358,300</u>
BUDGET RESULT	<u>285,737,928</u>	<u>(216,072,893)</u>	<u>929,700</u>	<u>173,731,600</u>	<u>177,180,600</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
BUDGET RESULT, ESTIMATE AND PROJECTIONS
FOR THE PERIOD 2006 - 2010

Schedule 12

	Actual 2006 \$	Actual 2007 \$	Estimate 2008 \$	Projected 2009 \$	Projected 2010 \$
REVENUE					
Operating Revenue					
Direct Receipts (Income Tax)	446,090,420	438,337,401	456,910,900	477,889,300	498,637,000
Indirect Revenue					
Customs	301,600,437	312,812,617	372,801,800	359,071,000	366,760,000
Hotel Turnover Tax	6,890,209	13,381,358	---	24,829,500	25,996,500
VAT	472,639,707	465,831,990	422,353,100	437,249,600	450,937,100
Fees, Fines, Charges and Penalties	60,658,241	64,193,858	84,792,000	86,226,200	87,904,200
Operating Revenue Sales	---	5,938	12,000	12,000	12,000
Other Revenue and Surpluses	32,682,426	31,807,970	35,405,000	36,086,600	36,871,900
Reimbursement and Recoveries	2,946,214	17,981,117	9,826,400	9,906,200	9,998,200
Grant in Aid	6,399,601	3,518,679	2,132,900	---	---
Total Operating Revenue	1,329,907,255	1,347,870,927	1,384,234,100	1,431,270,400	1,477,116,900
Investing Revenue					
Repayment of Term Loans Receivable	239,394	39,121	160,800	160,800	160,800
Sale of Government Assets	28,000,255	---	---	---	---
Dividends from Investment	27,619,234	21,971,159	25,215,300	23,215,300	23,215,300
Interest from Bank Balance	15,557,550	19,743,155	210,000	---	---
Return of Surplus Capital from Investment	---	1,630,080	1,630,100	1,630,100	1,630,100
Total Investing Revenue	71,416,432	43,383,515	27,216,200	25,006,200	25,006,200
TOTAL REVENUE	1,401,323,687	1,391,254,442	1,411,450,300	1,456,276,600	1,502,123,100
EXPENDITURE					
General Administration Services					
Operating Expenditure	354,649,569	355,917,100	332,608,891	326,611,100	326,611,100
Capital Expenditure	35,968,232	49,860,909	54,310,813	27,455,700	28,205,700
Total General Administration	390,617,801	405,778,009	386,919,704	354,066,800	354,816,800
Social Services					
Operating Expenditure	442,912,444	471,975,923	454,259,170	444,865,700	444,865,700
Capital Expenditure	21,000,331	45,085,010	23,056,209	16,313,100	16,313,100
Total Social Services	463,912,775	517,060,933	477,315,379	461,178,800	461,178,800
Economic Services					
Operating Expenditure	82,880,881	83,152,910	86,364,230	81,611,100	80,111,100
Capital Expenditure	48,383,188	15,362,147	36,915,300	13,230,000	13,230,000
Total Economic Services	131,264,069	98,515,057	123,279,530	94,841,100	93,341,100
Infrastructure Services					
Operating Expenditure	102,417,092	53,951,501	96,065,337	86,636,300	86,636,300
Capital Expenditure	98,813,745	49,477,595	128,236,163	80,498,000	64,110,000
Total Infrastructure Services	201,230,837	103,429,096	224,301,500	167,134,300	150,746,300
Miscellaneous Services					
Operating Expenditure	69,518,337	23,325,088	28,706,366	14,561,000	14,411,000
Capital Expenditure	8,476,259	33,898,013	14,952,856	17,496,700	17,496,700
Total Miscellaneous Services	77,994,596	57,223,102	43,659,222	32,057,700	31,907,700
Pensions, Gratuities and Compassionate Allowance	36,500,246	35,568,160	38,628,200	38,628,200	38,628,200
Value Added Tax	113,689,054	103,023,281	47,269,965	35,584,900	33,423,900
Finance Charges on Public Debt	143,300,555	183,474,071	185,603,900	186,446,500	190,030,700
TOTAL EXPENDITURE	1,558,509,933	1,504,071,709	1,526,977,400	1,369,938,300	1,354,073,500
NET DEFICIT	(157,186,246)	(112,817,267)	(115,527,100)	86,338,300	148,049,600

GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS
ACTUAL, ESTIMATE AND PROJECTED BUDGET RESULT
FOR THE PERIOD 2006 - 2008

Schedule 13

	Actual 2006 \$	Actual 2007 \$	Estimate 2008 \$	Actual 2008 \$
REVENUE				
Operating Revenue	1,329,907,255	1,347,870,927	1,384,234,100	1,412,410,799
Investing Revenue	71,416,432	43,383,515	27,216,200	42,524,394
Public Debt - New Borrowings	633,884,155	118,862,870	370,198,000	345,648,652
TOTAL REVENUE	<u>2,035,207,842</u>	<u>1,510,117,312</u>	<u>1,781,648,300</u>	<u>1,800,583,846</u>
EXPENDITURE				
Operating Expenditure	1,088,878,569	1,023,890,682	1,036,632,194	988,315,017
Capital Expenditure	212,641,756	193,683,674	257,471,341	212,747,865
Value Added Tax	113,689,054	103,023,281	47,269,965	51,443,023
Public Debt Repayments	334,260,535	405,592,568	439,345,100	427,984,117
TOTAL EXPENDITURE	<u>1,749,469,914</u>	<u>1,726,190,206</u>	<u>1,780,718,600</u>	<u>1,680,490,023</u>
BUDGET RESULT	<u>285,737,928</u>	<u>(216,072,893)</u>	<u>929,700</u>	<u>120,093,824</u>