



**GOVERNMENT OF FIJI ISLANDS**

**ANNUAL FINANCIAL STATEMENT**

*For the Year Ended 31 December 2010*



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WHOLE OF GOVERNMENT FINANCIAL STATEMENTS AND APPROPRIATION STATEMENT OF THE  
REPUBLIC OF FIJI FOR THE YEAR ENDED 31 DECEMBER 2010

INDEPENDENT AUDIT REPORT

**Scope**

I have audited the Whole of Government Financial Statements and the Annual Appropriation Statement of the Government of the Republic of Fiji for the year ended 31 December 2010 in accordance with Part 5 Section 7 of the State Services Decree 6 of 2009, sections 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 statements

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

The audit has been conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the Whole of Government Financial Statements and the Annual Appropriation Statement are free of material misstatements. Audit procedures include 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**

The Cash at Bank balance of \$185.4 million as at 31/12/10 contained errors and omissions amounting \$44.1 million. In addition, \$52.5 million could not be determined due to the absence of the bank reconciliation statements of various bank accounts as reported in the Schedule 1 - *Statement of Assets and Liabilities*.

In my opinion, except for the effect of the matter referred to in the qualification paragraph, the Financial Statements presents fairly in accordance with the accounting policies in Note 2, the financial position of the Government of the Republic of Fiji as at 31 December 2010 and the results of its operations and cash flows for the year then ended.

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

- Term deposits totaling to \$5.5 million have not been recorded in the *Schedule 1 - Statement of Assets and Liabilities* understating the cash at bank balances.
- Income Tax and Value Added Tax Refunds of \$183 million are expenditures of Government which have been off-set against direct taxes in *Note 5* of the Whole of Government Financial Statements resulting in the understatement of the total operating revenue by the same amount.
- Investments totaling \$6.5 million for Dormant Companies and Companies in Liquidation as disclosed in *Note 3* to the Financial Statements have not been assessed for write down and as a result overstated the investment balance.
- Lending Fund Account contained errors and omission of \$23.64 million in the *Consolidated Statement of Receipts and Payments* in schedule 2 of the Whole of Government Financial Statements with respect to loans, loan recovery to/from government entities in 2010.
- Trust accounts with Ministries/Departments were overdrawn by \$9.1 million as reflected in *Note 4* to the Whole of Government Financial Statements contrary to Finance Circulars 4 of 30/3/98.
- The interest payment in 2009 of \$19.9 million and the transfer of funds from Operating Fund of \$14.9 million in 2010; were not reflected in the Sinking Fund Account - *Note 4(i)* to the Whole of Government Financial Statements.
- Balances in the following accounts could not be substantiated as no supporting documentations were provided:
  - Trading and Manufacturing Account (TMA) surplus and accumulated surplus of \$22.5 million;
  - Revolving Fund Account – Standard Liability Group (SLG) 85 and SLG 84 balances as at 31/12/2010 totaling \$1.7 million and \$9.66 million respectively;
  - Membership subscriptions for International Agencies for Guarantee of Overseas Loan of \$63.0 million were not made available;
  - General ledger balances totaling \$9 million reflected as outstanding debt of Government.
- The failure of carrying out correct mappings of the RFA Balances of \$10.9 million in 2010 in accordance with the Appropriation Act have resulted in general ledger balances not being correctly reflected;
- Contrary to *Note 1(a)* to the Accounts, receipts totaling \$26.4 million for the Revolving Fund Account-TMA as reflected in *Note 12* included credit sales of \$6.94 million.
- The correctness of operating revenue receipted through the Accounts Receivable module of the Financial Management Information System, totaling \$25 million, reflected in the *Schedule 2 - Consolidated Statement of Receipts and Payments* could not be substantiated and was not accounted in accordance with the cash basis of accounting as in *Note 1* to the accounts.
- Balances in the following accounts were not reflected in the Whole of Government Financial Statements:
  - TMA Balances made up of Accounts Receivable \$3.6million, Inventory \$6.3 million, Accounts Payable \$0.53 million, Deposits and Retention Money \$2.1 million, TMA Surplus \$1.5 million and TMA Accumulated Surplus \$24.0 million.

- A prior year adjustments of \$9,568,863 made in the Consolidated Fund Statement of Receipts and Payments in 2010 could not be substantiated.

*Tevita Bolanavanua*

Tevita Bolanavanua  
**AUDITOR GENERAL**

Suva, Republic of Fiji  
19 October 2011



## GOVERNMENT OF THE REPUBLIC OF FIJI

### I The Economy

1. The Fiji Bureau of Statistics (FBOS) recently released provisional GDP figures for 2010, and revised the growth rates for 2008 and 2009. In 2008, the economy grew by 1.0 percent (a slight upward revision from the previous 0.2 percent growth); followed by a contraction of 1.3 percent in 2009 (revised upward from the earlier 3.0 percent decline). In 2010, the economy grew by a marginal 0.3 percent underpinned by manufacturing, hotels and restaurants, forestry, construction, electricity and water, mining and quarrying, financial intermediation and real estate and business services sector.
2. Record visitor arrivals throughout 2010 underpinned the strong performance of the tourism industry, feeding through to improved outcomes in tourism-related activities. The mining and quarrying sector also noted good performance last year, largely on account of increased activity at the Vatukoula gold mine. Gold production totalled 62,114 ounces and high international gold prices ably supported gold receipts. In contrast, the sugar industry recorded the worst ever performance in 2010 with annual declines (20.9 percent and 21.5 percent) in both cane and sugar output.
3. Overall, partial indicators of economic activity, survey measures coupled with industry liaison, suggested some recovery in economic activity in 2010 - although still below 2001-2004 trends. Consumer demand improved modestly indicated by the annual growth in net Value Added Tax (VAT) collections (23.1 percent). Nonetheless, the marginal (0.5 percent) annual growth in remittances and annual decline (12.5 percent) in new lending for consumption purposes pointed to some restraint in consumer spending.
4. Investment conditions generally remained subdued in 2010 as revealed by below-trend growth in imports of investment goods and value of work put-in-place by the construction sector. Notwithstanding some investment activity in the electricity, tourism and mining industries, private and public capital spending largely remained weak during the year.
5. Employment conditions picked up during the latter part of 2010. The Reserve Bank's Job Advertisements Survey, a partial indicator of employment, registered an annual increase of 5.9 percent. However, the improvement was biased towards tourism-related sectors as performances in all other sectors remained subdued. Newly registered taxpayers, a partial indicator of employment conditions, rose significantly to 47,368. However, this was largely the result of the compulsory Tax Identification Number registration policy implemented by the FRCA in August 2010.
6. Inflation spiked in the early months of 2010, peaking at 10.5 percent in April, the highest in 22 years. This reflected both the impact of the 2009 devaluation and Tropical Cyclones Mick and Tomas, on market items. Nevertheless, from June 2010, inflation slowed, underpinned by the reduction in the electricity tariff rate to lifeline consumers in June. However, soaring global oil prices coupled with the incremental impact of the electricity tariff rate restructure towards the end of 2010 resulted in higher inflation over the last quarter. Consequently, the 2010 year-end inflation was

5.0 percent compared to 6.8 percent in 2009. The underlying inflation, measured by the trimmed mean method, was 0.6 percent at the end of 2010.

## **II Balance of Payments**

7. Fiji's total exports (excluding aircraft) rose by 25.8 percent in 2010 compared to a 16.4 percent decline in 2009. In the same period, domestic exports rose by 12.2 percent compared to a decline of 8.9 percent in 2009. Similarly, total imports (excluding aircraft) rose by 22.6 percent in 2010 compared to a 20.6 percent decline in the previous year.

8. The trade deficit widened by around 20.1 percent during the period after narrowing by 23.6 percent in 2009. Despite the stronger growth in exports, this was not enough to offset the growth in the higher value imports. The current account deficit is estimated to continue in 2010 and to be at a level similar to the 10.2 percent of GDP in 2009. The deficit is mainly on account of a worsening trade and income balance which is expected to outweigh the surplus in the services and current transfers accounts. Likewise, the Balance of Payments deficit is expected to persist in 2010 as the gains in exports, tourism earnings and personal remittances are likely to have been offset by higher outturn in imports and income payments abroad.

9. Foreign reserves at the end of 2010 totalled \$1,303 million, equivalent to 4.1 months of imports of goods and non-factor services.

## **III Monetary Policy**

10. Monetary policy in 2010 continued to focus on achieving its twin objectives of low inflation and an adequate level of foreign reserves during the year.

11. Against a backdrop of subdued domestic economic conditions and positive outturns in the twin objectives, monetary policy formulation focused on supporting economic recovery and creating a conducive environment for growth.

12. To this end, the Reserve Bank relaxed borrowing requirements for non-resident controlled companies and individuals in March. This policy was mainly undertaken to encourage investment in the tourism industry and assist the recovery in the building and construction sector. In addition, a Concessional Loan Facility (CLF) for businesses affected by Cyclone Tomas was also introduced to help those financially affected and aid their rebuilding efforts.

13. Following the 20 percent devaluation of the Fiji dollar (FJD) in April 2009, there was a significant increase in domestic liquidity as a consequence of higher foreign exchange inflows. Bank demand deposits (BDD) rose sharply from a critically low level of \$12.0 million towards the end of March 2009 to \$349.0 million in April 2010. To mitigate the risks that a high upswing in liquidity could impose on credit growth as well as to suppress any potential inflationary pressures, the Reserve Bank raised the Statutory Reserve Deposit (SRD) ratio to 8.5 percent from 7.0 percent on 7 June.

14. The negative impact of the global financial crisis on financial sectors across the globe coupled with uncertainties surrounding the domestic economic recovery prompted the Reserve Bank to implement policies aimed at strengthening the safety

and soundness of Licensed Finance Institutions and enhancing the overall resilience of the financial system. In April 2010, the capital adequacy ratio minimum requirement for licensed commercial banks was increased to 12.0 percent from 8.0 percent whilst that of licensed credit institutions was raised to 15.0 percent from 10.0 percent.

15. In May, the Bank implemented a new market-based monetary policy framework and initially set its Overnight Policy Rate (OPR) at 3.0 percent. Under the new framework, the remuneration on commercial banks' SRD was removed and replaced with interest paid on BDD. Moreover, commercial banks were required to publicly disclose reasons for any widening of their interest spreads above 4.0 percent. Upon the implementation of the new framework, Open Market Operations (OMO) was resumed since they were suspended in June 2007.

16. A \$20.0 million Import Substitution Facility (ISF) was also launched in May. The facility was aimed at assisting large scale agricultural businesses to obtain credit at concessional rates to support domestic agricultural production and advance the competitiveness of local agricultural produce in the short term, as well as reduce import payments and improve the sustainability of the BOP position over the long term.

17. To maintain excess liquidity in the banking system at adequate levels, the Reserve Bank further raised the SRD from 8.5 percent to 10.0 percent, with effect from 7 July 2010. The level of BDD, which was above \$300.0 million in May, consequently fell to \$222.9 million by the end of July.

18. In July, the Reserve Bank rationalised the Export Finance Facility (EFF) and ISF into one named the Import Substitution and Export Finance Facility (ISEFF). Under the ISEFF, \$40.0 million in funding was made available to all eligible exporters who can obtain credit at concessional rates of interest. In addition, businesses in the agricultural sector that produced goods which results in a reduction in imports were also entitled to access this Facility.

19. In November, reflecting stability in the foreign reserves position, the Reserve Bank eased monetary policy by reducing the OPR to 2.5 percent from 3.0 percent. Furthermore, selected exchange control policies were relaxed to boost investor confidence and the coverage of the ISEFF was extended to include the renewable energy sector. These measures were largely undertaken to support the recovery of the domestic economy.

20. In 2010, selected exchange control policies were relaxed in light of higher levels of foreign reserves. In this regard, the Reserve Bank increased the delegated limits to authorised foreign exchange dealers for certain transactions as well as reviewed and amended its policy on local borrowing, following discussions with stakeholders.

21. The Export Proceeds Reconciliation and Monitoring initiative was introduced to ensure that export proceeds are repatriated back into the country as required under the Exchange Control Act (Rev. 1985). Under the guidance of the export proceeds monitoring Interagency Committee, a total of \$1.1 billion of outstanding unreconciled export proceeds were successfully reconciled during 2010. The Reserve Bank will continue to closely monitor compliance with the Exchange Control Act (Rev. 1985).

22. In 2010, the Reserve Bank finalised and implemented five prudential policies and developed two additional draft policies aimed at strengthening risk management of supervised institutions. Policies were also issued to strengthen complaints management across all supervised industries. Eight risk-based onsite examinations were conducted during 2010.

23. A National Financial Inclusion Taskforce (NFIT) was also established during the year to provide overall guidance and monitor the development of greater financial inclusion in Fiji. A target of the Taskforce was to take some form of banking or financial service to a further 150,000 citizens in our rural areas, who presently have no such access, by 2014.

24. The RBF continued its work on developing the complaints management policy environment in 2010. The objective of which is to ensure that consumer complaints are addressed efficiently and effectively and that consumer issues are given priority status by regulated financial institutions. As part of public awareness, the Reserve Bank published a Complaints Brochure and distributed copies to regulated financial institutions as well as the Consumer Council of Fiji.

25. Mobile money was launched in June 2010 to leverage the mobile channel to create a flexible, far-reaching financial service delivery network. The initiative created more opportunities for both public and private sectors, to market and launch new services and products to those living in remote and rural areas.

26. A policy to establish Local Advisory Boards (LABs) in all banks operating in Fiji was implemented in 2010. Each LAB assumes a consultative and advisory role to senior management, helping to guide commercial banks in aligning their strategies to Fiji's regulatory and supervisory environment as well as to national development objectives.

27. Developments in money and credit aggregates largely reflected the favourable outturn in foreign reserves in 2010. Liquidity was \$348 million in 2010, higher than \$297 million recorded in the previous year. Mirroring this, broad money rose by 3.9 percent, underpinned by increases in demand deposits and currency in circulation by 14.5 percent and 7.9 percent respectively, in the year to December. However, domestic credit contracted by 1.7 percent in 2010, as a result of significant declines in net credit to the Government and official entities. These declines more than offset the 3.2 percent increase in private sector credit, which in turn was attributed to the 3.5 percent growth in commercial banks' credit over the year to \$2,883.3 million. The growth in commercial bank credit in 2010 was on account of higher lending to the wholesale, retail, hotel, restaurant; real estate and private individuals sectors.

### **Interest Rates**

28. Reflecting the high liquidity in the banking system, interest rates generally trended downwards in 2010. The commercial banks' weighted average lending rate fell to 7.42 percent in December 2010, compared to 7.52 percent at the end of 2009. In the same period, the commercial banks' weighted average time deposit rate fell to 4.73



percent from 5.83 percent in December 2009 while the savings deposit rate increased by 10 basis points to 1.02 percent.

29. The weighted average bond yield peaked at 11.62 percent in August 2010 before gradually slipping to 9.00 percent in December 2010, underpinned by the improvements in liquidity conditions. In 2010, the Government raised \$452.7 million in the domestic capital markets, compared with \$404.2 million raised in 2009.

### **Secondary Bond Market**

30. There was no activity recorded in the secondary bond market in 2010, compared to 10 trades valued at \$2.6 million in the previous year. This was a result of ample liquidity in the banking system and limited reinvestment opportunities for investors.

## **IV 2010 BUDGET**

31. The Revised Budget Estimates for 2010 provided for receipts amounting to \$1,496,507,600<sup>1</sup>. The revised estimate for expenditures totaled \$1,993,963,346. The actual out-turn for the year, however, showed receipts totaling \$1,536,515,306 and expenditure amounting to \$1,900,081,658.

### **Comparison with Revised Estimates**

32. The table below compares the final out-turn for 2010 with the revised estimate and the actual outturns for 2008 and 2009:

	<b>2008 Actual (\$000)</b>	<b>2009 Actual (\$000)</b>	<b>2010 Revised (\$000)</b>	<b>2010 Actual (\$000)</b>
<b>Expenditure</b>				
Operating (SEG 1-7)	952,782.0	1,025,572.6	1,019,197.8	1,023,209.8
Operating - Pensions	35,533.1	36,094.0	37,628.2	33,138.6
Operating (SEG 12)	427,984.1	463,148.5	507,981.0	455,343.7
Capital (SEG 8-10)	212,747.9	335,014.5	379,644.9	339,654.3
VAT (SEG 13)	51,443.1	51,572.9	49,511.5	48,735.3
Total Expenditure	1,680,490.0	1,911,402.4	1,993,963.3	1,900,081.7
<b>Revenue</b>				
Operating Revenue	1,412,410.8	1,352,296.5	1,458,000.9	1,484,044.7
Capital Revenue	42,524.4	60,548.8	38,506.7	52,470.6
Total Revenue <sup>2</sup>	1,454,935.2	1,412,845.3	1,496,507.6	1,536,515.3

### **Comparison with Past Revenue and Expenditure Out-turn**

<sup>1</sup> Excludes borrowing/loans

<sup>2</sup> Excludes borrowing/loans

33. The table below compares the budget out-turn for 2010 against the performance of the previous four years.

<b>Year</b>	<b>Actual Revenue<sup>4</sup> (\$000)</b>	<b>Actual Expenditure<sup>3</sup> (\$000)</b>
<b>2006</b>	1,394,894.9	1,749,469.9
<b>2007</b>	1,391,254.4	1,726,190.2
<b>2008</b>	1,454,935.2	1,680,490.0
<b>2009</b>	1,412,845.3	1,911,402.4
<b>2010</b>	1,536,515.3	1,900,081.7

### REVENUE

34. Actual 2010 revenue receipts totalled \$1,536,515,306 with operating revenue accounting for \$1,484,044,676 and the remainder of \$52,470,630 representing capital revenue receipts. The operating and capital receipts for the past five years are displayed below:

	<b>(\$000)</b>			<b>%</b>
	<b>Operating Revenue</b>	<b>Capital Revenue</b>	<b>Total Revenue</b>	<b>Change in Total Revenue</b>
<b>2006</b>	1,323,478.5	71,416.4	1,394,894.9	14.2%
<b>2007</b>	1,347,870.9	43,383.5	1,391,254.4	-0.3%
<b>2008</b>	1,412,410.8	42,524.4	1,454,935.2	4.6%
<b>2009</b>	1,352,296.5	60,548.8	1,412,845.3	-2.9%
<b>2010</b>	1,484,044.7	52,470.6	1,536,515.3	8.8%

### Operating Revenue

35. The following table highlights the total amounts collected from major operating revenue categories over the years 2006-2010.

	\$000	\$000	% Change	\$000	% Change	\$000	% Change	\$000	% Change
	2006	2007	2006-2007	2008	2007-2008	2009	2008-2009	2010	2009-2010
Direct Taxes	446,090.40	438,337.40	-2%	438,546.90	0%	452,920.27	3%	425,983.35	-6%
% of Total	34%	33%		31%		33%		29%	
Indirect Taxes	781,130.40	792,025.90	1%	804,510.44	2%	756,303.37	-6%	876,147.23	16%
% of Total	59%	59%		57%		56%		59%	
Customs	301,600.50	326,193.90	8%	331,487.06	2%	326,357.99	-2%	350,170.72	7%
% of Total	23%	24%		23%		24%		24%	
VAT	472,639.70	465,831.90	-1%	452,943.74	-3%	404,688.98	-11%	494,895.15	22%
% of Total	36%	35%		32%		30%		33%	
Hotel Turnover Tax	6,890.20	13,381.40	94%	20,079.64	50%	24,960.51	24%	30,611.58	23%
% of Total	1%	1%		1%		2%		2%	
Fees and Charges	57,661.90	64,193.90	11%	109,294.04	70%	97,621.72	-11%	138,863.13	42%
% of Total	4%	4.80%		8%		7%		9%	
Grants in Aid	2,967.20	3,518.70	19%	12,624.67	259%	6,229.21	-51%	8,886.82	43%
% of Total	0.20%	0.30%		1%		0.50%		1%	
Other receipts	32,655.80	31,807.90	-3%	34,501.04	9%	24,268.59	-30%	25,435.73	5%
% of Total	2%	2.40%		2%		2%		2%	
Reimbursement and Recoveries	2,946.20	17,981.10	510%	12,891.72	-28%	14,897.70	16%	8,683.01	-42%
% of Total	0.20%	1.30%		1%		1%	10%	1%	
Sales Revenue	26.7	5.9	-78%	41.99	612%	55.62	33%	45.41	-18%
% of Total	0%	0.40%		0%		0.004%		0%	
<b>Total Operating Revenue</b>	<b>1,323,478.50</b>	<b>1,347,870.90</b>	<b>2%</b>	<b>1,412,410.80</b>	<b>5%</b>	<b>1,352,296.49</b>	<b>-4%</b>	<b>1,484,044.68</b>	<b>10%</b>

36. Compared to the budgetary estimate of operating revenue of \$1,458,000,900 actual operating revenue amounted to \$1,484,044,676, an increase of \$26,043,776 or 1.8 percent. This was largely due to more than expected collections from Direct Taxes; Indirect Taxes (VAT, Import Excise Duties, Excise Duties, Export Duties, Hotel Turnover Tax and Water Resource Tax); Fees, Fines and Charges; and Operating Sales Receipts.

37. Customs and Excise collections represented a total of 23.6 percent of operating revenue in 2010. Collections from customs and excise taxes were as follows:

(\$000)		
	Estimates	Actual
Fiscal Duty	329,643.30	238,149.96
Excise Duty	---	80,929.99
Export Duty	---	9,492.35
Import Excise Duty	---	20,209.09
Miscellaneous Fees and Receipts	7,500.00	1,389.34
<b>Total</b>	<b>337,143.30</b>	<b>350,170.72</b>

38. Grant-In-Aid receipts in 2010 totalled \$8,886,821 compared to an estimate of \$11,895,700. The lower receipts stems from non-disbursement of funds from the United Nations Development Programme and New Zealand Bilateral Aid Programme.

(\$000)		
	Estimate	Actual
1. Australian Development Grant	---	---
2. New Zealand Bilateral Aid Programme	217.40	---
3. United Nations Development Programme (UNDP)	2,131.70	---
5. Japan Government Grants	---	---
6. Other Grant in Aid	9,546.60	8,886.82
<b>Total Aid Receipts</b>	<b>11,895.70</b>	<b>8,886.82</b>

#### Capital Revenue

39. Capital revenue receipts for 2010 amounted to \$52,470,630 compared to the revised estimate of \$38,506,700, an increase of \$13,963,930. The increase in capital revenues is due to higher proceeds from Interest from Bank Balances.

40. The performance of main components of capital revenues over the years 2006-2010 is illustrated in the table below:

	(\$000)				
	2006	2007	2008	2009	2010
Repayment of Term Loans Receivable	239.4	39.1	4.9	0.5	0.2
Sale of Government Assets	28,000.3	-	-	300.0	-
Dividends from Investments	27,619.2	21,971.2	21,515.8	22,827.2	12,726.6
Interest from Bank Balances	15,557.6	19,743.2	19,483.1	30,747.6	39,728.0
Return of surplus capital from Investments	-	1,630.1	798.4	1,164.2	15.8
Gain in Exchange Rates			722.2	5,509.3	0.0
<b>Total</b>	<b>71,416.4</b>	<b>43,383.5</b>	<b>42,524.4</b>	<b>60,548.8</b>	<b>52,470.6</b>

## EXPENDITURE

41. The 2010 Revised Estimate stood at \$1,993,963,346. Actual expenditure for the year stood at \$1,900,081,658; reflecting an under expenditure of \$93,881,688 or 5 percent compared to the revised budget.

42. The composition of actual expenditure is \$1,511,692,034 (80 percent) operating, \$339,654,348 (18 percent) capital expenditure and \$48,735,276 (3 percent) VAT, compared with the revised budget composition of 78 percent operating expenditure, 19 percent capital expenditure and 2 percent VAT.

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

**COMPARATIVE STATEMENT OF SPENDING BY SECTORS  
FOR THE YEARS 2006 - 2010**

Sector	2006		2007		2008		2009		2010	
	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure
Operating	354.6		355.9		329.8		353.7		348.9	
Capital	36.0		49.9		47.9		54.6		52.6	
VAT	34.7		25.4		8.3		10.2		9.5	
<b>Tot. General Admin.</b>	<b>425.3</b>	<b>24</b>	<b>431.2</b>	<b>25</b>	<b>386.0</b>	<b>23</b>	<b>418.5</b>	<b>22</b>	<b>411.0</b>	<b>22</b>
Operating	442.9		472.0		429.3		441.6		461.5	
Capital	21.0		45.1		17.9		38.6		24.6	
VAT	41.5		54.6		18.0		11.2		12.6	
<b>Tot. Social</b>	<b>505.4</b>	<b>29</b>	<b>571.7</b>	<b>33</b>	<b>465.2</b>	<b>28</b>	<b>491.4</b>	<b>26</b>	<b>498.6</b>	<b>26</b>
Operating	82.9		83.2		76.5		83.3		82.3	
Capital	48.4		15.4		31.9		64.7		58.2	
VAT	12.3		10.4		5.3		6.8		10.7	
<b>Total Economic</b>	<b>143.6</b>	<b>8</b>	<b>109.0</b>	<b>6</b>	<b>113.7</b>	<b>7</b>	<b>154.8</b>	<b>8</b>	<b>151.1</b>	<b>8</b>
Operating	102.4		54.0		94.4		109.4		94.1	
Capital	98.9		49.4		102.2		150.3		145.1	
VAT	22.5		11		17.5		21.9		13.6	
<b>Tot. Infrast.</b>	<b>223.8</b>	<b>13</b>	<b>114.4</b>	<b>7</b>	<b>214.2</b>	<b>13</b>	<b>281.5</b>	<b>15</b>	<b>252.8</b>	<b>13</b>
Operating	431.4		451.2		486.4		536.9		525.0	
Capital	16.6		47.1		12.9		26.9		59.2	
VAT	2.7		1.6		2.3		1.4		2.4	
<b>Tot. Unallocable<sup>3</sup></b>	<b>450.7</b>	<b>26</b>	<b>499.9</b>	<b>29</b>	<b>501.6</b>	<b>30</b>	<b>565.2</b>	<b>30</b>	<b>286.5</b>	<b>31</b>
<b>Total Operating</b>	<b>1,414.2</b>		<b>1,416.1</b>		<b>1,416.4</b>		<b>1,524.8</b>		<b>1,511.7</b>	
<b>Total Capital</b>	<b>220.9</b>		<b>207.0</b>		<b>212.8</b>		<b>335.0</b>		<b>339.7</b>	
<b>VAT</b>	<b>113.6</b>		<b>103.0</b>		<b>51.4</b>		<b>51.6</b>		<b>48.7</b>	
<b>Grand Total</b>	<b>1,748.7</b>		<b>1,726.1</b>		<b>1,680.6</b>		<b>1,911.4</b>		<b>1,900.1</b>	

<sup>3</sup> Includes, Miscellaneous Services, Pensions and Charges on Account of Public Debt

44. 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
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
2009	537.3	28	463.1	24	911.0	48	1,911.4
2010	516.8	27	455.3	24	927.9	49	1,900.1

45. A comparative table between the revised estimate and actual expenditure for the period 2006 – 2010 is as follows:

Year	Revised Estimate (\$m)	Actual Expenditure (\$m)	Variation	
			(\$m)	%
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	1,680.5	(100.2)	(6)
2009	2,044.9	1,911.4	(133.5)	(6)
2010	1,994.0	1,900.1	(93.9)	(5)

46. A summary of the 2010 actual outturn by standard expenditure groups (SEGs) as compared to the revised estimates is presented in the following table:

2010 EXPENDITURE BY SEG					
Standard Expenditure Group	Revised \$000	Actual \$000	Variation \$000	% 	
1. Established Staff	507,603.2	516,827.8	9,224.6	2	
2. Government Wage Earners	45,221.5	47,274.0	2,052.4	5	
3. Travel and Communications	19,892.1	18,020.7	(1,871.5)	(9)	
4. Maintenance and Operations	68,310.8	67,717.9	(592.9)	(0.9)	
5. Purchase of Goods and Services	57,039.1	58,308.0	1,268.9	2	
6. Operating Grants and Transfers	262,680.4	263,155.2	474.8	0.2	
7. Special Expenditure	58,450.7	51,906.3	(6,544.4)	(11)	
TOTAL DEPARTMENTAL	1,019,197.8	1,023,209.8	4,012.0	0.4	
Un-allocable Operating Expenditures					
Pensions, Compassionate Allowances	37,628.2	33,138.6	(4,489.6)	(12)	
Charges on Account of Public Debt	507,981.0	455,343.7	(52,637.3)	(10)	
TOTAL OPERATING	1,564,807.0	1,511,692.0	(53,114.9)	(3)	
8. Capital Construction	158,579.1	143,323.7	(15,255.4)	(10)	
9. Capital Purchase	26,880.8	19,640.5	(7,240.3)	(27)	
10. Capital Grants and Transfers	194,185.0	176,690.2	(17,494.8)	(9)	
TOTAL CAPITAL	379,644.9	339,654.3	(39,990.5)	(11)	

## 2010 EXPENDITURE BY SEG

Standard Expenditure Group	Revised \$000	Actual \$000	Variation \$000	%
13. VAT	49,511.5	48,735.3	(776.2)	(2)
TOTAL EXPENDITURE	1,993,963.3	1,900,081.7	(93,881.7)	(5)

### SEG 1 - Established Staff (Over-expenditure - \$9,224,647)

47. Actual spending in SEG 1 recorded an over-expenditure of \$9.2 million or 2 percent above the revised estimate of \$507.6 million. The major overspending was recorded in the following Ministries: Health (\$6.2 million); Police (\$1.7 million); Education (\$1.1 million); Prisons (\$0.9 million); Lands and Mineral Resources (\$0.6 million) and Primary Industries (\$0.55 million). Some notable under spending were also recorded in: Public Service Commission (\$0.4 million), Judicial (\$0.4 million), Labour, Industrial Relations and Employment (\$0.3 million), Finance (\$0.2 million), National Planning ((\$0.2 million) and Industry and Trade (\$0.2 million).

### SEG 2 – Government Wage Earners (Over-expenditure - \$2,052,440)

48. The actual expenditure of \$47.3 million was \$2.1 million above the revised estimate of \$45.2 million, which was mainly reflective of the over spending in the Ministry of Health (\$3 million) and Lands and Mineral Resources (\$0.2 million), which more than offsets the under-spending recorded in other Ministries such as: Primary Industries (\$0.3 million), Finance (\$0.2 million), Foreign Affairs and International Cooperation (\$0.2 million), Works and Transport (\$0.1 million), Education (\$0.1 million) and Prime Minister's Office (\$0.05 million).

### SEG 3 - Travel and Communications (Under-expenditure - \$1,871,456)

49. Overall, SEG 3 recorded an under-expenditure of \$1.9m when comparing actual expenditure of \$18.0 million against the revised estimate of \$19.9 million. The notable under spending were recorded in: Foreign Affairs and International Cooperation (\$0.4 million); Health (\$0.3 million); Miscellaneous Services (\$0.2 million); Works and Transport (\$0.1 million); Police (\$0.09m), Fiji Military Forces (\$0.08m), Education (\$0.08m), Primary Industries (\$0.06m) and Lands and Mineral Resources (\$0.05 million), Office of the President (\$0.05 million), Finance (\$0.05 million), Judicial (\$0.04 million), Public Service Commission (\$0.04 million), Youth and Sports (\$0.03 million) and Social Welfare and Women (\$0.02 million. Only two Ministries recorded over spending in SEG 3: Defence, National Security and Immigration (\$0.02 million) and National Planning (\$0.006 million).

### SEG 4 - Maintenance and Operations (Under-expenditure - \$592,886)

50. The actual expenditure of \$67.7 million was \$0.6 million or 1 percent below the revised estimate of \$68.3 million. The major contributors to this under-spending were: Foreign Affairs and International Cooperation (\$0.8 million), Works and Transport (\$0.4 million), Police (\$0.3 million), Primary Industries (\$0.2 million) and Industry and Trade (\$0.2 million). However, some notable overspending was also recorded in Lands and Mineral Resources (\$1.0m) and Health (\$0.8m).

### SEG 5 - Purchases of Goods and Services (Over-expenditure - \$1,268,922)

51. The SEG 5 actual spending for 2010 stood at \$58.3 million which is \$1.3 million or 2 percent above the revised estimate of \$57.0 million. The over spending in this SEG is mainly attributed to Ministry of Health (\$3.9 million); which outweighs the



under spending recorded in most Ministries. This includes: Works and Transport (\$1.1 million), Office of the Attorney General (\$0.4 million), Foreign Affairs and International Cooperation (\$0.3 million), Education (\$0.3 million), Finance (\$0.09 million), Provincial Development, Disaster Management and Multi Ethnic Affairs (\$0.07 million), Police (\$0.05 million), Youth and Sports (\$0.05 million), Office of the President (\$0.03 million), Information (\$0.03 million), Public Enterprise, Tourism and Communications (\$0.02 million), Office of the Prime Minister (\$0.02 million), Public Service Commission (\$0.02 million) and Miscellaneous Services (\$0.02 million).

#### **SEG 6 - Operating Grants and Transfers (Over-expenditure - \$474,820)**

52. This SEG caters for operating grants and transfers to agencies, organisations and other bodies outside the central Government but are responsible for delivering public services for which they are contracted and bound by performance agreements to perform. An over-expenditure of \$0.5 million or 0.2 percent was recorded when comparing actual expenditure of \$263.2 million against the revised estimate of \$262.7 million. This is mainly attributed to the over spending in: Public Utilities and Energy (\$3.4 million) and Primary Industries (\$0.2 million). At the same time, some Ministries recorded under spending in this SEG; which includes: Health (\$1.3 million), Provincial Development and Multi Ethnic Affairs (\$0.9 million), Social Welfare and Women (\$0.3 million), Miscellaneous Services (\$0.2 million), Public Service Commission (\$0.09 million), Education (\$0.09 million) and Foreign Affairs and International Cooperation (\$0.08 million).

#### **SEG 7 - Special Expenditures (Under-expenditure - \$6,544,441)**

53. This SEG covers special expenditures that mostly relate to specific programmes or projects that are shown as a separate item or provision with a specific start and end date. The revised budget for SEG 7 was \$58.5 million and the actual expenditure stood at \$51.9 million resulting in an under spending of \$6.5 million or 11 percent against the budget. The under spending in SEG 7 is attributed mainly to: Education (\$1.4 million), Primary Industries (\$0.96 million), Industry and Trade (\$0.6 million), Public Utilities (\$0.5 million), Miscellaneous Services (\$0.5 million), National Planning (\$0.4 million), Labour, Industrial Relations and Employment (\$0.4 million), Judicial (\$0.3 million), Health (\$0.3 million), Social Welfare and Women (\$0.2 million), Local Government, Urban Development, Housing and Environment (\$0.2 million), Office of the Attorney General (\$0.2 million), Public Service Commission (\$0.1 million), Foreign Affairs and International Cooperation (\$0.1 million) and Public Enterprise, Tourism and Communications (\$0.1 million).

#### **SEG 8 - Capital Construction (Under-expenditure - \$15,255,403)**

54. The actual expenditure stood at \$143.3 million compared to the revised estimate of \$158.6 million, thus resulted in an under-expenditure of \$15.3 million or 10 percent below the budget. The major contributors to the under spending were: Works and Transport (\$13.4 million), Primary Industries (\$0.6 million), Health (\$0.5 million), Lands and Mineral Resources (\$0.2 million) and Prisons (\$0.2 million). There was no overspending recorded in any of the other Ministries.

**SEG 9 - Capital Purchases (Under-expenditure - \$7,240,299)**

55. 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 actual expenditure recorded was \$19.6 million against the revised estimate of \$26.9 million; which resulted in an under spending of \$7.2 million or 27 percent below the budget. The under-expenditure was largely attributed to: Finance (\$7.6 million), Miscellaneous Services (\$0.3 million), Works and Transport (\$0.1 million), Industry and Trade (\$0.1 million), Justice (\$0.1 million). The under spending more than offsets the over spending recorded in: Health (\$0.98 million), Police (\$0.05 million) and Fiji Military Forces (\$0.02 million).

**SEG 10 - Capital Grants and Transfers (Under-expenditure - \$17,494,833)**

56. 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 investments for which they are contracted and bound by performance agreements to perform. Actual expenditure came to \$176.7 million compared to the revised estimate of \$194.2 million, thus leaving an under-expenditure of \$17.5 million or 9 percent below the budget. The under spending is mainly attributed to the following Ministries: Public Utilities and Energy (\$8.8 million), Miscellaneous Services (\$5.5 million), Provincial Development, Disaster Management and Multi Ethnic Affairs (\$2.9 million), Primary Industries (\$0.14 million), Youth and Sports (\$0.06 million), Foreign Affairs and International Cooperation (\$0.02 million), Education (\$0.02 million) Social Welfare and Women (\$0.02 million) and National Planning (\$0.02 million). There was no overspending recorded in any of the other Ministries

**SEG 11 - Pensions, Gratuities and Compassionate Allowances (Under-expenditure - \$4,489,648)**

57. The revised estimate of \$37.6 million when compared to the actual expenditure of \$33.1 million, recorded an under-expenditure of \$4.5 million or 12 percent below budget. This is mainly attributed to the under spending in the following categories: Cost of Living Allowances to Pensioners (\$1.3 million), Pensions Civil and Compassionate (\$0.8 million), Gratuities – Commuted Pension, Ex-Gratia and Compassionate (\$0.7 million), Fiji Military Forces – Pensions, Service and Disability, Retired Pay and Gratuities (\$0.5 million), Ex Parliamentarians (\$0.5 million), Ex Governor General, Presidents', Ex-Prime Ministers' Pension (\$0.4 million) and Gratuities – Contract Officers (\$0.2 million).

**SEG 12 - Charges on Account of Public Debt (Under-expenditure - \$52,637,341)**

58. Actual expenditure under this category totalled \$455.3 million, which is \$52.6 million or 10 percent below the revised estimate of \$508 million. Major under-spending was recorded in the Overseas Loans – Principal Repayments (\$46.3 million); Overseas Loans – Interest Payments (\$5.3 million); Domestic Loans – Principal Repayments (\$0.8 million) and Miscellaneous payments (\$0.2 million).

**SEG 13 - VAT (Under-expenditure - \$776,212)**

59. Actual expenditure amounted to \$48.7 million, compared to the revised estimate of \$49.5 million, therefore resulted in an under-expenditure of \$0.8 million or 2 percent below the budget. The major under spending in SEG 13 were recorded in the following Ministries: Primary Industries (\$0.6 million), Prime Minister's Office (\$0.4 million), Foreign Affairs and International Cooperation (\$0.3 million), Police (\$0.3 million), Miscellaneous Services (\$0.3 million), Public Utilities and Energy (\$0.2 million) Office of the Attorney General (\$0.2 million), and Finance (\$0.2 million). The under spending more than offsets the over spending recorded in: Health (\$2.6 million), Lands and Mineral Resources (\$0.1 million) and Office of the Director of Public Prosecutions (\$0.02 million).

**V. Domestic and External Loans**

60. Domestic borrowings totalled \$452,734,100 in 2010. In all, there were 36 development loans, which opened and closed on the same day. All stocks were offered at par.
61. The date the loans were opened, the investment period and interest offered, and total cash subscriptions are shown on the table below;

Loan	Date	Investment Period & Interest Rate Offered (%)								Cash Subscription
		2012- 2013	2013- 2015	2014- 2016	2016- 2018	2017- 2020	2021- 2025	2026- 2030	2035- 2040	
Loan No.1	6-Jan-10	0	0	0	0	0	7.0	8.0	0	\$12,000,000
Loan No.2	20-Jan-10	0	0	0	0	0	0	8.0	0	\$10,000,000
Loan No.3	3-Feb-10	0	0	0	0	0	0	8.0	0	\$8,100,000
Loan No.4	17-Feb-10	0	0	0	0	0	0	8.0	0	\$8,300,000
Loan No.5	3-Mar-10	0	0	0	0	0	0	8.0	0	\$6,930,000
Loan No.6	10-Mar-10	0	0	0	0	0	0	8.0	0	\$16,100,000
Loan No.7	24-Mar-10	0	0	0	0	0	0	8.0	0	\$13,015,000
Loan No.8	14-Apr-10	0	0	0	0	0	7.0	8.0	0	\$18,000,000
Loan No.9	21-Apr-10	0	0	0	0	0	7.0	8.0	0	\$3,000,000
Loan No.10	28-Apr-10	0	0	0	0	0	0	8.0	0	\$5,100,000
Loan No.11	-	0	0	0	0	0	0	0	0	0
Loan No.12	19-May-10	0	0	0	0	0	7.5	8.25	0	\$10,800,000
Loan No.13	26-May-10	0	0	0	0	0	0	8.5	0	\$11,000,000
Loan No.14	2-June-10	0	0	0	0	0	7.75	8.75	0	\$700,000.00
Loan No.15	11-June-10	0	0	0	0	0	0	9.0	0	\$21,000,000
Loan No.16	16-June-10	0	0	0	0	0	0	9.25	0	\$7,000,000
Loan No.17	23-June-10	0	0	0	0	0	0	9.5	0	\$14,200,000
Loan No.18	7-Jul-10	0	0	0	0	0	0	10.0	0	\$20,000,000
Loan No.19	14-Jul-10	0	0	0	0	0	0	10.0	0	\$12,100,000
Loan No.20	28-Jul-10	0	0	0	0	0	8.0	10.0	0	\$29,935,000
Loan No.21	4-Aug-10	0	0	6.25	6.7	0	0	10.0	0	\$15,500,000
Loan No.22	11-Aug-10	0	0	0	0	0	0	10.0	14.0	\$22,260,000
Loan No.23	-	0	0	0	0	0	0	0	0	0
Loan No.24	-	0	0	0	0	0	0	0	0	0
Loan No.25	15-Sep-10	0	0	0	6.7	0	8.25	0	0	\$5,500,000
Loan No.26	22-Sep-10	0	0	0	0	0	8.95	0	0	\$22,193,600
Loan No.27	6-Oct-10	0	0	0	0	0	9.0	0	0	\$25,600,000
Loan No.28	13-Oct-10	0	0	0	0	0	9.0	0	0	\$10,000,000
Loan No.29	20-Oct-10	0	0	0	0	0	9.0	0	0	\$2,100,000
Loan No.30	27-Oct-10	0	0	0	0	0	9.0	0	0	\$12,600,000
Loan No.31	3-Nov-10	0	0	0	0	0	9.0	0	0	\$15,200,000
Loan No.32	10-Nov-10	0	0	0	0	0	9.0	0	0	\$19,200,000
Loan No.33	24-Nov-10	0	0	0	0	0	9.0	0	0	\$11,500,000
Loan No.34	8-Dec-10	0	0	0	0	0	9.0	0	0	\$14,000,000
Loan No.35	15-Dec-10	0	0	0	0	0	9.0	0	0	\$24,800,000
Loan No.36	22-Dec-10	0	0	0	0	0	8.99	0	0	\$25,000,500

### **Drawdown of External Loans**

#### **ADB Loan No.2514 – Fiji Road Upgrading Stage III Project Supplementary**

62. Drawings in 2010 amounted to \$11,403,184 with variable interest rate;

#### **ADB Loan No.2541 – Emergency Flood Recovery**

63. Drawings in 2010 amounted to \$3,003,773 with variable interest rate;

**ADB Loan No.2603 – Suva/Nausori Water Supply and Sewerage Project  
Supplementary**

64. Drawings in 2010 amounted to \$5,228 with variable interest rate;

**The Export –Import Bank of China – Fiji Low Cost Housing**

65. Drawings in 2010 amounted to \$11,226,939 with fixed interest rate of 2%.

**The Export –Import Bank of China – Fiji Public Rental Housing Project**

66. Drawings in 2010 amounted to \$4,494,400 with fixed interest rate of 2%.

**VI PUBLIC DEBT**

(a) The raising of the following new loans:

- (i) The 2010 FDL Loan No.1 for \$12,000,000
- (ii) The 2010 FDL Loan No.2 for \$10,000,000
- (iii) The 2010 FDL Loan No.3 for \$8,100,000
- (iv) The 2010 FDL Loan No.4 for \$8,300,000
- (v) The 2010 FDL Loan No.5 for \$6,930,000
- (vi) The 2010 FDL Loan No.6 for \$16,100,000
- (vii) The 2010 FDL Loan No.7 for \$13,015,000
- (viii) The 2010 FDL Loan No.8 for \$18,000,000
- (ix) The 2010 FDL Loan No.9 for \$3,000,000
- (x) The 2010 FDL Loan No.10 for \$5,100,000
- (xi) The 2010 FDL Loan No.12 for \$10,800,000
- (xii) The 2010 FDL Loan No.13 for \$11,000,000
- (xiii) The 2010 FDL Loan No.14 for \$700,000
- (xiv) The 2010 FDL Loan No.15 for \$21,000,000
- (xv) The 2010 FDL Loan No.16 for \$7,000,000
- (xvi) The 2010 FDL Loan No.17 for \$14,200,000
- (xvii) The 2010 FDL Loan No.18 for \$20,000,000
- (xviii) The 2010 FDL Loan No.19 for \$12,100,000
- (xix) The 2010 FDL Loan No.20 for \$29,935,000
- (xx) The 2010 FDL Loan No.21 for \$ 15,500,000
- (xxi) The 2010 FDL Loan No.22 for \$22,260,000
- (xxii) The 2010 FDL Loan No.25 for \$5,500,000
- (xxiii) The 2010 FDL Loan No.26 for \$22,200,000
- (xxiv) The 2010 FDL Loan No.27 for \$25,600,000
- (xxv) The 2010 FDL Loan No.28 for \$10,000,000
- (xxvi) The 2010 FDL Loan No.29 for \$2,100,000
- (xxvii) The 2010 FDL Loan No.30 for \$12,600,000
- (xxviii) The 2010 FDL Loan No.31 for \$15,200,000
- (xxix) The 2010 FDL Loan No.32 for \$19,200,000
- (xxx) The 2010 FDL Loan No.33 for \$11,500,000
- (xxxi) The 2010 FDL Loan No.34 for \$14,000,000
- (xxxii) The 2010 FDL Loan No.35 for \$24,800,000
- (xxxiii) The 2010 FDL Loan No.36 for \$25,000,500

(xxxiv) Treasury Bills of a total par value of \$687,313,133 of which the par value of unredeemed bills at the end of 2010 was \$74,969,800 compared with an unredeemed value at the end of 2009 of \$97,721,294.

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

- (i) US\$9,251,143 – ADB Loan No.2055 Suva/Nausori Water Supply & Sewerage Project;
- (ii) CNY 51,314,395 - 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) \$5,000,000 – 1995 Fiji Development Loan No. 1
- (ii) \$5,000,000 - 1995 Fiji Development Loan No. 5
- (iii) \$2,600,000 - 1995 Fiji Development Loan No. 6
- (iv) \$300,000 – 1995 Fiji Development Loan No. 7
- (v) \$7,700,000 – 1996 Fiji Development Loan No. 2
- (vi) \$5,450,000 – 1996 Fiji Development Loan No. 7
- (vii) \$4,000,000 – 1996 Fiji Development Loan No. 8
- (viii) \$5,900,000 – 1997 Fiji Development Loan No.4
- (ix) \$1,000,000 – 1997 Fiji Development Loan No.7
- (x) \$9,300,000- 1998 Fiji Development Loan No.4
- (xi) \$6,000,000- 1998 Fiji Development Loan No.5
- (xii) \$3,000,000- 2000 Fiji Development Loan No.1
- (xiii) \$3,000,000- 2000 Fiji Development Loan No.2
- (xiv) \$3,000,000- 2000 Fiji Development Loan No.3
- (xv) \$3,000,000- 2000 Fiji Development Loan No.4
- (xvi) \$3,000,000- 2000 Fiji Development Loan No.4
- (xvii) \$3,000,000- 2000 Fiji Development Loan No.6
- (xviii) \$3,000,000- 2000 Fiji Development Loan No.7
- (xix) \$3,000,000- 2000 Fiji Development Loan No.8
- (xx) \$3,000,000- 2000 Fiji Development Loan No.9
- (xxi) \$3,000,000- 2000 Fiji Development Loan No.10
- (xxii) \$4,000,000- 2000 Fiji Development Loan No.11
- (xxiii) \$3,000,000- 2000 Fiji Development Loan No.12
- (xxiv) \$4,000,000- 2000 Fiji Development Loan No.13
- (xxv) \$4,000,000- 2000 Fiji Development Loan No.14
- (xxvi) \$2,000,000- 2003 Fiji Development Loan No.1
- (xxvii) \$2,000,000- 2003 Fiji Development Loan No.2
- (xxviii) \$3,000,000- 2003 Fiji Development Loan No.3
- (xxix) \$3,000,000- 2003 Fiji Development Loan No.4
- (xxx) \$5,000,000- 2003 Fiji Development Loan No.5
- (xxxi) \$2,000,000- 2003 Fiji Development Loan No.6
- (xxxii) \$2,000,000- 2003 Fiji Development Loan No.7
- (xxxiii) \$2,000,000- 2003 Fiji Development Loan No.8
- (xxxiv) \$3,000,000- 2003 Fiji Development Loan No.9
- (xxxv) \$3,000,000- 2003 Fiji Development Loan No.10
- (xxxvi) \$4,000,000- 2003 Fiji Development Loan No.11
- (xxxvii) \$4,000,000- 2003 Fiji Development Loan No.12
- (xxxviii) \$4,000,000- 2003 Fiji Development Loan No.13
- (xxxix) \$3,000,000- 2003 Fiji Development Loan No.14

- (xl) \$4,000,000- 2003 Fiji Development Loan No.15
- (xli) \$4,000,000- 2003 Fiji Development Loan No.16
- (xlii) \$4,000,000- 2003 Fiji Development Loan No.17
- (xliii) \$2,240,000- 2003 Fiji Development Loan No.18
- (xliv) \$1,000,000- 2003 Fiji Development Loan No.19
- (xlv) \$1,000,000- 2003 Fiji Development Loan No.20
- (xlvi) \$1,000,000- 2005 Fiji Development Loan No.1
- (xlvii) \$1,000,000- 2005 Fiji Development Loan No.2
- (xlviii) \$1,000,000- 2005 Fiji Development Loan No.3
- (xlix) \$2,000,000- 2005 Fiji Development Loan No.5
- (l) \$2,000,000- 2005 Fiji Development Loan No.6
- (li) \$1,000,000- 2005 Fiji Development Loan No.7
- (lii) \$1,000,000- 2005 Fiji Development Loan No.8
- (liii) \$1,000,000- 2005 Fiji Development Loan No.9
- (liv) \$4,000,000- 2005 Fiji Development Loan No.10
- (lv) \$4,000,000- 2005 Fiji Development Loan No.11
- (lvi) \$3,000,000- 2005 Fiji Development Loan No.12
- (lvii) \$2,000,000- 2005 Fiji Development Loan No.13
- (lviii) \$1,000,000- 2005 Fiji Development Loan No.14
- (lix) \$1,000,000- 2005 Fiji Development Loan No.15
- (lx) \$1,000,000- 2005 Fiji Development Loan No.16
- (lxi) \$1,000,000- 2005 Fiji Development Loan No.17
- (lxii) \$1,000,000- 2005 Fiji Development Loan No.18
- (lxiii) \$2,000,000- 2005 Fiji Development Loan No.19
- (lxiv) \$1,000,000- 2005 Fiji Development Loan No.20
- (lxv) \$1,000,000- 2005 Fiji Development Loan No.21
- (lxvi) \$2,000,000- 2005 Fiji Development Loan No.22
- (lxvii) \$2,500,000- 2005 Fiji Development Loan No.23
- (lxviii) \$2,000,000- 2005 Fiji Development Loan No.25
- (lxix) \$2,100,000- 2007 Fiji Development Loan No.4
- (lxx) \$1,000,000- 2007 Fiji Development Loan No.6
- (lxxi) \$3,250,000- 2007 Fiji Development Loan No.7
- (lxxii) EUR 26,475 – 1979 EEC Loan No.80046 Outer Island Airstrips
- (lxxiii) EUR 314,730 – 1979 EEC Loan No.80051 Native Land Development
- (lxxiv) JPY220,730,500– 1988 ADB Loan No.912 Road Sector Maintenance Project
- (lxxv) EUR 141,581.30– 1990 EEC Loan No.80309 Rural Electrification Programme
- (lxxvi) JPY107,067,900– 1993 ADB Loan No.1164 Fiji Road Upgrading Project II
- (lxxvii) US\$17,756.59– 1993 IBRD Loan No. 3491 Fiji Road Upgrading Project II
- (lxxviii) JPY47,074,000 – 1993 JBIC Exim Loan Fiji Road Upgrading Project II
- (lxxix) US\$2,164,129.69 - 1998 ADB No.1530 Fiji Road Upgrading Project III Loan
- (lxxx) EUR59,076.53– 1998 EIB Loan No.8033 Investment and Export Development Project
- (lxxxi) JPY121,398,000- 1998 JBIC Nadi/Lautoka Regional Water Supply
- (lxxxii) US\$515,162.57 – 1997 ADB Loan No.2055 Suva Nausori Water Supply
- (lxxxiii) US\$503,783.40 - ADB Loan No.2158 Alternative Livelihood Project

## VII CONCLUSION

Finally, I would like to express the appreciation of both the Minister of Finance 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 'Filimone Waqabaca', is positioned above a horizontal dotted line.

Filimone Waqabaca  
Permanent Secretary for Finance





## WHOLE OF GOVERNMENT

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

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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GOVERNMENT OF THE REPUBLIC OF FIJI  
STATEMENT OF ASSETS & LIABILITIES  
AS AT 31 DECEMBER 2010

Schedule 1

	Notes	31 December 2010 \$	31 December 2009 \$
<b>CURRENT ASSETS</b>			
Cash at Bank	2	185,443,615	94,512,448
Investments	3	438,862,904	441,960,504
<b>TOTAL ASSETS</b>		<u>624,306,519</u>	<u>536,472,952</u>
<b>CURRENT LIABILITIES</b>			
Trust Fund Account	4	56,292,229	55,349,705
Sinking Fund Account	4(i)	68,659,964	68,659,964
<b>TOTAL LIABILITIES</b>		<u>124,952,193</u>	<u>124,009,669</u>
<b>NET ASSETS</b>		<u>499,354,326</u>	<u>412,463,283</u>
<b>CONSOLIDATED FUND</b>	refer Schedule 2	<u>499,354,326</u>	<u>412,463,283</u>

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

Ministry of Finance  
Suva, Fiji  
12 October 2011

  
Filimone Waqabaca  
Permanent Secretary for Finance

**GOVERNMENT OF THE REPUBLIC OF FIJI  
CONSOLIDATED FUND  
STATEMENT OF RECEIPTS & PAYMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 2

	Notes	31 December 2010 \$	31 December 2009 \$
<b>RECEIPTS</b>			
Operating Revenue	5	1,021,121,982	1,003,190,875
Value Added Tax	6	494,895,149	404,688,978
Borrowings	7	462,965,102	405,389,740
Treasury Bills Raised	8	687,313,133	253,821,653
Ways & Means	9	306,500,000	152,000,000
Receipts from Debtors	10	27,741,224	26,378,925
Capital Gain	11	---	1,704,514
Revolving Fund Account Net Receipts	12	1,509,755	494,540
<b>TOTAL RECEIPTS</b>		<u>3,002,046,345</u>	<u>2,247,669,226</u>
<b>PAYMENTS</b>			
Operating Expenditure	13	1,056,348,375	1,061,666,572
Capital Expenditure	14	339,654,347	335,014,525
Value Added Tax	15	48,735,276	51,572,901
Repayment of Loans	16	455,343,659	463,148,452
Redemption of Treasury Bills	8	710,064,626	220,653,349
Ways & Means	9	306,500,000	152,000,000
Loans made to Debtors	17	4,980,100	17,111,204
Capital Loss	11	3,097,602	---
<b>TOTAL PAYMENTS</b>		<u>2,924,723,985</u>	<u>2,301,167,002</u>
<b>Surplus for the year</b>		77,322,360	(53,497,776)
Correction of Fundamental Errors	18(a)	9,568,683	528,793
Balance as at 1 January		<u>412,463,283</u>	<u>465,432,265</u>
<b>Balance as at 31 December</b>	refer Schedule 1	<u>499,354,326</u>	<u>412,463,283</u>

GOVERNMENT OF THE REPUBLIC OF FIJI  
TRUST FUND  
STATEMENT OF RECEIPTS & PAYMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 3(i)

	Notes	31 December 2010 \$	31 December 2009 \$
<b>RECEIPTS</b>			
Trust Fund Receipts		281,736,018	233,407,075
<b>TOTAL RECEIPTS</b>		<u>281,736,018</u>	<u>233,407,075</u>
<b>PAYMENTS</b>			
Trust Fund Payments		280,778,713	235,824,865
<b>TOTAL PAYMENTS</b>		<u>280,778,713</u>	<u>235,824,865</u>
<b>Surplus/(Deficit) for the year</b>		957,305	(2,417,791)
Balance as at 1 January		55,349,705	57,796,286
<b>LESS: Error in Opening Balance</b>		<u>(14,781)</u>	<u>(28,790)</u>
<b>Balance as at 31 December</b>	4	<u>56,292,229</u>	<u>55,349,705</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**SINKING FUND**  
**STATEMENT OF RECEIPTS & PAYMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 3(ii)

	Notes	31 December 2010 \$	31 December 2009 \$
<b>RECEIPTS</b>			
Sinking Fund Receipts		---	---
<b>TOTAL RECEIPTS</b>		---	---
<b>PAYMENTS</b>			
Sinking Fund Payments		---	---
<b>TOTAL PAYMENTS</b>		---	---
<b>(Deficit)/Surplus for the year</b>		---	---
Balance as at 1 January		68,659,964	68,659,964
<b>Balance as at 31 December</b>	4(i)	<u>68,659,964</u>	<u>68,659,964</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 Cabinet. When passing the annual Budget, Cabinet approves the Heads of Appropriation by enacting the annual Appropriation Decree. 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 are related to revenue earned by trading and manufacturing activities.

31 December  
2010  
\$

31 December  
2009  
\$

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 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	82,425,719	50,840,687
Overseas Agencies	106,409,431	106,093,950
Trading and Manufacturing Account	14,133,097	12,463,558
Cash Balance in Departmental Trust	31,245,508	22,978,529
Less: Unpresented Cheques	(48,770,140)	(97,864,276)
<b>Net Cash</b>	<b>185,443,615</b>	<b>94,512,448</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	31 December 2010 \$	31 December 2009 \$
<b>3. INVESTMENTS</b>		
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:		
<b>Investment Category</b>		
Fully Commercial Co. (Profitable)	346,838,026	346,873,128
Fully Commercial Co. (Non-Profitable)	76,131,698	76,131,697
Semi-Commercial (Agro based)	9,412,970	9,412,970
Dormant Companies	2,000,000	2,000,000
Companies in Liquidation	4,480,210	7,542,709
<b>Total Investments</b>	<u>438,862,904</u>	<u>441,960,504</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:

<b>Category</b>		
Trust Funds	34,766,530	27,070,826
Trust Funds/Payroll Deductions	30,609,680	37,402,586
Less: Overdrawn Accounts	<u>(9,083,981)</u>	<u>(9,123,707)</u>
<b>Total Trust Fund Account</b>	<u>56,292,229</u>	<u>55,349,705</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.

<b>Category</b>		
Opening Balance	68,659,965	68,659,965
Transfers from Operating	---	---
Dividend on Investment	---	---
Foreign Exchange Gain or Appreciation	---	---
Closing Balance on RBF Sinking Fund	---	---
<b>Total Sinking Fund Account</b>	<u>68,659,965</u>	<u>68,659,965</u>



**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	31 December 2010 \$	31 December 2009 \$
<b>5. OPERATING REVENUE</b>		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	425,983,347	452,920,274
Indirect Taxes	381,252,082	351,614,396
Fees, Fines & Charges	138,863,131	97,621,724
Operating Revenue - Sales	45,407	55,622
Operating Revenue - TMA	(5)	---
Other Receipts	25,435,733	24,268,587
Reimbursements & Recoveries	(11,815,163)	9,932,225
Grant Aid	8,886,821	6,229,209
Dividends from Investments	12,726,623	22,827,214
Repayments of Term Loans Receivable	175	532
Gain in Exchange Rate	---	5,509,281
Interest from Bank Balances	39,728,048	30,747,615
Sales of Government Assets	---	300,000
Return of Surplus Capital from Investment	15,783	1,164,197
<b>Total Operating Revenue</b>	<b>1,021,121,982</b>	<b>1,003,190,875</b>
<b>6. VALUE ADDED TAX RECEIPTS</b>	<b>494,895,149</b>	<b>404,688,978</b>
These are the VAT revenue collected by the Fiji Revenue & Customs Authority during the year.		
<b>7. BORROWINGS</b>		
Thirty Six new loans were raised during the year locally, with their respective repayment periods ranging from 2012 to 2040 whilst five 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>452,734,100</u>	<u>404,239,758</u>
	<u>452,734,100</u>	<u>404,239,753</u>
<i>Overseas Loans</i>		
ADB Fiji Road Upgrading III	6,194,074	1,149,982
ADB Suva/Nausori Water Supply & Sewage Project	4,036,928	---
<b>Total Overseas Borrowings</b>	<u>10,231,002</u>	<u>1,149,982</u>
<b>TOTAL BORROWINGS</b>	<u>462,965,102</u>	<u>405,389,740</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	14,224,429	15,746,720
Fiji Road Upgrading Project Stage III	3,991,269	1,044,500
Emergency Food Recovery	184,686	---
Suva/Nausori Water Supply Supp	5,228	---
Fiji Low Cost Housing	11,226,939	---
Fiji Public Rental Housing Project	4,494,400	---
ADB Suva/Nausori Water Supply & Sewage Project	17,591,563	7,535,631
<b>Total Direct Disbursement and Non-Cash Borrowing</b>	<u>51,718,514</u>	<u>24,326,851</u>
<b>8. TREASURY BILLS</b>		
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>687,313,133</u>	<u>253,821,653</u>
Treasury Bills Redemptions during the year	<u>710,064,626</u>	<u>220,653,349</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	<b>31 December 2010 \$</b>	<b>31 December 2009 \$</b>
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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	<u>306,500,000</u>	<u>152,000,000</u>
Ways and Means Repayments	<u>306,500,000</u>	<u>152,000,000</u>

**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	1,113	880
Consumer Co-operative Societies	202,657	1,433
Copra Industry for Stabilisation of Earnings	262,607	251,886
Tertiary Education	2,905,041	16,403,080
Private Students	2,030	3,383,260
Advances to Ministers and Members of Parliament	6,100	8,955
Students Loan Scheme	3,863,501	1,363,954
Viti Corp Limited	258,000	64,500
FDB	---	550
FAB (89 FAB Loan)	20,000,000	2,000,000
FAB (97 FAB Loan)	100,000	1,500,000
FAB (98 FAB Loan)	140,000	1,400,000
	<u>27,741,049</u>	<u>26,378,498</u>
Interest	175	427
<b>Total Receipts from Debtors</b>	<u>27,741,224</u>	<u>26,378,925</u>

**11. CAPITAL GAIN/LOSS**

The capital loss resulted mainly from the decrease in the value of Government investments.

Capital (Loss) Gain	<u>(3,097,602)</u>	<u>1,704,514</u>
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**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	31 December 2010 \$	31 December 2009 \$
<b>12. REVOLVING FUND ACCOUNT</b>		
Ministries/Departments operating Revolving Fund Accounts have to operate within a ceiling set by the Minister. The limit for the Revolving Fund Accounts in 2010 was \$15,122,000.		
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.		
a) <i>Revolving Fund Receipts:</i>		
Revolving Fund Account - Imprests	115,003	120,142
Revolving Fund Account - Other Admin	3,818	1,305
Revolving Fund Account - Miscellaneous	292,574,356	83,807,078
Revolving Fund Account - Inter-Departmental Clearance	1,831,611,284	2,055,566,179
Revolving Fund Account - TMA:		
Fiji Maritime Safety Administration	8,790	20,603
Fiji Military Forces	230,660	348,633
Government Printing & Stationery Department	1,234,404	3,453,927
Fiji Procurement Office	2,208,059	9,253,897
Ministry of Agriculture & Land Resettlement	1,212,854	505,540
Ministry of Fisheries and Forests	147,858	96,864
Ministry of Health	676,414	71,753
Prison Farm	324,793	---
Ministry of Trade & Commerce	23,301	226
Public Works and Infrastructure	20,322,893	25,125,016
<b>Total</b>	<b>2,150,694,487</b>	<b>2,178,371,163</b>
b) <i>Revolving Fund Payments:</i>		
Revolving Fund Account - Imprests	114,843	119,735
Revolving Fund Account - Other Admin	49,860	48,996
Revolving Fund Account - Miscellaneous	286,430,604	84,499,386
Revolving Fund Account - Inter-Departmental Clearance	1,831,611,284	2,055,566,179
Revolving Fund Account - TMA:		
Fiji Maritime Safety Administration	4,560	7,431
Fiji Military Forces	297,332	260,786
Government Printing & Stationery Department	1,983,796	2,499,643
Fiji Procurement Office	2,279,416	7,630,993
Ministry of Agriculture & Land Resettlement	1,334,626	787,246
Ministry of Fisheries and Forests	178,799	92,134
Ministry of Health	707,151	(8,924)
Prison Farm	186,725	---
Ministry of Trade & Commerce	149	68,277
Public Works and Infrastructure	24,005,587	26,304,741
<b>Total</b>	<b>2,149,184,732</b>	<b>2,177,876,622</b>
<b>Revolving Fund Account Net (Payments)/Receipts</b>	<b>1,509,755</b>	<b>494,540</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	<b>31 December 2010 \$</b>	<b>31 December 2009 \$</b>
<b>13. OPERATING EXPENDITURE</b>		
The operating expenditure of Government includes the following:		
Established Staff	516,827,808	537,263,289
Unestablished Staff	47,273,958	59,962,093
Travel and Communications	18,020,653	18,415,171
Maintenance and Operations	67,717,865	93,235,363
Purchase of Goods and Services	58,308,043	67,429,023
Operating Grants and Transfers	263,155,225	202,603,359
Special Expenditures	51,906,271	46,664,297
Pensions, Gratuities and Compassionate Allowances	33,138,552	36,093,978
<b>Total Operating Expenditure</b>	<u>1,056,348,375</u>	<u>1,061,666,572</u>
<b>14. CAPITAL EXPENDITURE</b>		
Capital Expenditures of Government includes capital constructions works; purchases of property, plant and equipment and capital grants & transfer payments.		
Capital Construction	143,323,665	162,626,526
Capital Purchase	19,640,531	40,230,331
Capital Grants and Transfers	176,690,151	132,157,668
<b>Total Capital Expenditures</b>	<u>339,654,347</u>	<u>335,014,525</u>
<b>15. VALUE ADDED TAX EXPENDITURE</b>	<u>48,735,276</u>	<u>51,572,901</u>
These are the VAT payments made by Ministries/Departments to the the Fiji Revenue & Customs Authority during the year.		
<b>16. REPAYMENTS OF LOANS</b>		
Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans and principal repayments on these loans.		
<i>Interest Payments:</i>		
Overseas Loans	22,901,709	24,358,748
Domestic Loans	190,736,707	165,287,007
Treasury Bills	4,295,960	1,971,651
<i>Total Interest Paid</i>	<u>217,934,376</u>	<u>191,617,406</u>
<i>Principal Repayments:</i>		
Overseas Loans	32,850,575	21,263,254
Domestic Loans	198,540,500	245,405,000
<i>Total Principal Repayments</i>	<u>231,391,075</u>	<u>266,668,254</u>
Others	6,018,208	4,862,792
<b>Total Charges on Account of Public Debt</b>	<u>455,343,659</u>	<u>463,148,452</u>

GOVERNMENT OF THE REPUBLIC OF FIJI  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 4

	31 December 2010 \$	31 December 2009 \$
<b>17. NEW AND ADDITIONAL LOANS</b>		
Additional loans and new loans that were provided in 2010 from recurrent loan provisions include the following:		
Advances to Public Officers	3,010	325
Consumer Co-operative Societies	202,132	108
Copra Industry for Stabilisation of Earnings	17,983	19,056
Tertiary Education	2,189,544	12,950,730
Advances to Ministers and Members of Parliament	---	---
Students Loan Scheme	2,567,431	757,839
Private Students	---	3,382,764
Fiji Development Bank	---	275
NLTB	---	108
<b>Total Loans Given</b>	<b>4,980,100</b>	<b>17,111,204</b>

**18. ADJUSTMENTS**

a) <i>Correction of Fundamental Errors</i>	<u>9,568,683</u>	<u>528,793</u>
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These are unsubstantiated balances in the General Ledger.

**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 31/12/10 are as follows:

Domestic Loans	2,759,292,150	2,505,092,150
Treasury Bills	74,969,800	97,721,294
Overseas Loans	<u>548,461,798</u>	<u>527,248,475</u>
<b>Total Government Debt</b>	<b><u>3,382,723,748</u></b>	<b><u>3,130,061,918</u></b>

The above includes other loans shown below as at 31/12/10

<b>Overseas Loans</b> - interest capitalised and loan-in-kind	---	---
- direct cash disbursed to contractors	---	---
	<u>---</u>	<u>---</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 4

	31 December 2010 \$	31 December 2009 \$
<b>20. ARREARS OF REVENUE</b>		
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 31/12/10 are as follows:		
Agriculture	3,995,810	3,992,057
Auditor-General	427,442	204,670
Communications	5,007,611	1,096,944
Co-operatives	11,313	175,487
Education	18,534	4,417
Fiji Maritime Safety Administration	47,120	112,367
Fiji Revenue & Customs Authority - Customs	11,530,304	4,170,038
Fiji Revenue & Customs Authority - IRS	132,520,763	84,509,589
Provincial Development, Indigeneous and Multi Ethnic Affairs	507,899	553,729
Finance	469,396	477,635
Fisheries & Forcsts	13,457	
Government Printing and Stationery Department	153,703	175,562
Fiji Procurement Office	121,729	145,857
Health	126,196	233,754
Immigration	10,928	11,583
Information Technology & Computing Services	2,500	3,042
Judicial	10,970,177	10,828,342
Labour and Industrial Relation	19,339	39,740
Lands Crown Rent	17,970,765	17,486,274
Loans: <i>Rewa Rice Ltd.</i>	225,382	225,382
Meteorological Services	4,565,162	4,565,163
Police	14,600	13,303
Prisons	1,349	890
Public Utilities	34,843,653	36,755,411
MFO Sinai	3,368,626	3,240,114
<b>Total Arrears of Revenue</b>	<b>226,943,758</b>	<b>169,021,351</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT**  
**AS AT 31 DECEMBER 2010**

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2010	Liability as at 31/12/2010
<b>SECTION A -</b>			<b>\$</b>	<b>\$</b>
<b>Fiji Development Bank</b>	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; CP(10)13 19/01/10.....	322,915,069	322,915,069
<b>Fiji Electricity Authority</b>	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; CP(10)291	551,000,000	346,454,651
<b>Fiji Hardwood Corporation</b>	Guarantee of Loan Raised	Approved of the House of Representatives 16/10/03; 9/8/06; 9/8/06;16/01/09.....	14,900,000	17,290,858
<b>Fiji National Provident Fund</b>	Guarantee of Contributors	Act No. 19 of 1966 Section 9; CP(09)325	758,368,125	758,368,125
<b>Fiji Pine Limited</b>	Guarantee of Loans Raised	Approval of House of Representatives dated 06/12/1994; 17/08/05.....	15,700,000	8,478,103
<b>Fiji Sugar Corporation</b>	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;	316,000,000	121,938,038
<b>Housing Authority</b>	Guarantee of Loans Raised	Approval of House of Representatives 24/10/02; 27/08/03; 29/11/05; 21/10/08.....	292,000,000	86,067,281
<b>Fiji Sports Council</b>	Guarantee of Loans Raised	Approval of House of Representatives 19/05/06	2,990,000	1,187,478
<b>Fiji Ports Corporation Limited</b>	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 .....	48,066,175	41,553,518
<b>Fiji Broadcasting Corporation</b>	Guarantee of Loans Raised	Approval of Cabinet; 14/7/2009.....	17,846,315	14,252,810
<b>National Bank of Fiji</b>	Guarantee of Depositors	Act No. 14 of 1996.....	2,540,459	2,540,459
<b>Pacific Fishing Company Limited</b>	Guarantee of Standby Credit Facility	Approval of House of Representatives 02/01/97, 31/08/00 .....	4,109,700	5,387,361
<b>Public Rental Board</b>	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	1,950,667
<b>Section A Total.....</b>			<b>2,363,435,843</b>	<b>1,728,384,419</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT**  
**AS AT 31 DECEMBER 2010**

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2010	Liability as at 31/12/2010
<b>SECTION B-</b>			<b>\$</b>	<b>\$</b>
<b>International Agencies-Asian Development Bank</b>	Subscription for Membership	Resolutions of Legislative Council 24/3/70; Act No. 34 of 1974.....	32,470,323	32,470,323
<b>International Bank for Reconstruction &amp; Development</b>	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	30,099,428	30,099,428
<b>International Development Association</b>	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	507,091	507,091
		<b>Section B Total.....</b>	<b>63,076,842</b>	<b>63,076,842</b>

**SUMMARY -**

Section A

2,363,435,843 1,728,384,419

Section B

63,076,842 63,076,842

**Total**

**2,426,512,685 1,791,461,261**

**Note:**

In addition to the above Contingent Liabilities, Reported Claims Against Government as at 31 December 2010 was approximately \$16.6 million.

<b>NBF AMB</b>	16,384,718.00
<b>From Office of Solicitor</b>	236,068.59
<b>General</b>	
	<b>16,620,786.59</b>



**GOVERNMENT OF THE REPUBLIC OF FIJI  
BUDGET RESULT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 6

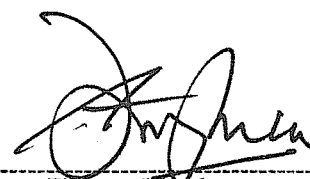
	<b>Estimate 2010 \$</b>	<b>Actual 2010 \$</b>	<b>Increase / (Decrease) \$</b>
<b>REVENUE</b>			
Operating Revenue	1,458,000,900	1,484,044,676	26,043,776
Investing Revenue	38,506,700	52,470,630	13,963,930
Public Debt - New Borrowings	497,455,700	462,965,103	(34,490,597)
<b>TOTAL REVENUE</b>	<u>1,993,963,300</u>	<u>1,999,480,409</u>	<u>5,517,109</u>
<b>EXPENDITURE</b>			
Operating Expenditure	1,056,825,977	1,056,348,375	(477,601)
Capital Expenditure	379,644,882	339,654,348	(39,990,534)
Value Added Tax	49,511,487	48,735,276	(776,212)
Public Debt Repayments	507,981,000	455,343,659	(52,637,341)
<b>TOTAL EXPENDITURE</b>	<u>1,993,963,346</u>	<u>1,900,081,658</u>	<u>(93,881,688)</u>
<b>BUDGET RESULT</b>	<u>(46)</u>	<u>99,398,751</u>	<u>99,398,797</u>

**Note:**

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

- Capital Expenditure includes SEGs 8 - 10.

Ministry of Finance  
Suva, Fiji  
12 October 2011



\_\_\_\_\_  
Filimone Waqabaca  
Permanent Secretary for Finance

GOVERNMENT OF THE REPUBLIC OF FIJI  
SUMMARY OF REVENUE  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 7

Heads of Revenue	Estimate	Actual Revenue 2010	Increase	Decrease
	\$	\$	\$	\$
<b>OPERATING REVENUE</b>				
21 Direct Taxes.....	424,656,900	425,983,347	1,326,447	---
22 Indirect Taxes.....	843,228,900	876,147,231	32,918,331	---
23 Fees, Fines & Charges.....	120,035,600	138,863,131	18,827,531	---
24 Operating Revenue Sales.....	40,200	45,407	5,207	---
26 Operating Revenue - Trading & Manufacturing Ac.....	---	(5)	---	5
27 Other Receipts.....	47,424,100	25,435,733	---	21,988,367
28 Reimbursements & Recoveries.....	10,719,500	8,683,012	---	2,036,488
29 Grant Aid.....	11,895,700	8,886,821	---	3,008,879
<b>Operating Revenue Total.....</b>	<b>1,458,000,900</b>	<b>1,484,044,677</b>	<b>53,077,516</b>	<b>27,033,739</b>
<b>INVESTING REVENUE</b>				
31 Repayments of Term Loans Receivable.....	400	175	---	225
33 Dividends from Investments.....	36,642,100	12,726,623	---	23,915,477
34 Interest from Bank Balances.....	700,000	39,728,048	39,028,048	---
35 Return of Surplus Capital from Investment.....	1,164,200	15,783	---	1,148,417
<b>Investing Revenue Total.....</b>	<b>38,506,700</b>	<b>52,470,630</b>	<b>39,028,048</b>	<b>25,064,118</b>
<b>LOAN PROCEEDS</b>				
15. Overseas Loans.....	42,598,600	10,231,002	---	32,367,598
16. Domestic Loans.....	454,857,100	452,734,100	---	2,123,000
<b>Loans Revenue Total.....</b>	<b>497,455,700</b>	<b>462,965,102</b>	<b>---</b>	<b>34,490,598</b>
<b>Investing/Loans Revenue Total.....</b>	<b>535,962,400</b>	<b>515,435,732</b>	<b>39,028,048</b>	<b>59,554,716</b>
<b>Total Revenue.....</b>	<b>1,993,963,300</b>	<b>1,999,480,409</b>	<b>92,105,564</b>	<b>86,588,455</b>

GOVERNMENT OF THE REPUBLIC OF FIJI  
DETAILED REVENUE COMPARISONS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2010	Increase	Decrease
	\$	\$	\$	\$
<b>OPERATING REVENUE</b>				
<b>21 - DIRECT TAXES</b>				
1. Income Tax				
01. Income Tax.....	424,656,900	425,983,347.09	1,326,447.09	---
2. Estate and Gift Duty				
01. Estate and Gift Duty.....	---	---	---	---
Total.....	424,656,900	425,983,347.09	1,326,447.09	---
Net Increase.....			1,326,447.09	---
<b>22 - INDIRECT TAXES</b>				
1. Value Added Tax				
01. Value Added Tax.....	479,942,600	494,895,149.14	14,952,549.14	---
2. Fiscal Duty				
01. Fiscal Duty.....	329,643,300	238,149,956.56	---	91,493,343.44
3. Excise Dues				
01. Excise Dues.....	---	80,929,993.30	80,929,993.30	---
4. Export Duty				
01. Export Duty.....	---	9,492,347.16	9,492,347.16	---
5. Import Duty				
01. Import Duty.....	---	20,209,086.01	20,209,086.01	---
6. Hotel Turnover Tax				
01. Hotel Turnover Tax.....	25,837,800	30,611,584.12	4,773,784.12	---
7. Water Resource Tax				
01. Water Resource Tax.....	305,200	469,773.25	164,573.25	---
8. Superyacht Charter Fee				
01. Superyacht Charter Fee.....	7,500,000	---	---	7,500,000.00
99. Miscellaneous Fees and Receipts				
01. Miscellaneous Fees and Receipts.....	---	1,389,341.28	1,389,341.28	---
Total.....	843,228,900	876,147,230.82	131,911,674.26	98,993,343.44
Net Increase.....			32,918,330.82	---
<b>23 - FEES, FINES &amp; CHARGES</b>				
01. Dues				
01. Light Due - Port & Harbour.....	573,800	520,588.17	---	53,211.83
02. Stamp Duty				
01. Stamp Duty.....	13,875,000	19,389,769.33	5,514,769.33	---
03. Fees				
01. Produce and Inspection.....	1,857,100	992,685.92	---	864,414.08
02. Native Timber Measurement.....	650,000	570,574.78	---	79,425.22
03. Land and Survey Fees.....	199,300	620,972.97	421,672.97	---
04. Mining Fees.....	560,000	238,340.26	---	321,659.74
06. Passports.....	6,681,500	8,893,775.18	2,212,275.18	---
07. Town Planning Fees.....	167,600	92,487.29	---	75,112.71
08. Examination Fees.....	---	18,788.50	18,788.50	---
09. Government Day Schools-Fees.....	---	23,448.00	23,448.00	---
10. Government Boarding Schools-Fees.....	757,500	436,824.36	---	320,675.64
11. Health Fumigation and Quarantine.....	255,000	191,411.58	---	63,588.42
12. Hospital.....	900,000	1,020,469.56	120,469.56	---
13. Fiji School of Nursing.....	843,800	405,966.13	---	437,833.87
14. Cemetery Fees.....	62,600	51,113.38	---	11,486.62
15. Air Licensing Fees.....	10,800	8,100.00	---	2,700.00
16. Departure Tax.....	31,384,600	40,012,315.00	8,627,715.00	---
17. Audit Fees.....	611,600	819,547.16	207,947.16	---
18. Court Fees.....	1,514,100	1,234,921.83	---	279,178.17
19. Registration.....	1,695,000	969,621.42	---	725,378.58
20. Management Fee.....	79,300	452,341.73	373,041.73	---
21. LTA Fee.....	25,746,600	23,822,411.93	---	1,924,188.07
99. Miscellaneous Fees.....	4,489,600	3,004,834.97	---	1,484,765.03

GOVERNMENT OF THE REPUBLIC OF FIJI  
DETAILED REVENUE COMPARISONS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2010	Increase	Decrease
	\$	\$	\$	\$
<b>04. Licenses</b>				
01. Arms.....	172,500	67,604.95	---	104,895.05
03. Coasting.....	9,400	14,565.60	5,165.60	---
05. Liquor.....	714,000	1,086,638.18	372,638.18	---
06. Trading.....	686,500	229,922.19	---	456,577.81
07. Dogs.....	6,900	13,047.39	6,147.39	---
09. Money Lenders.....	31,200	55,782.97	24,582.97	---
10. Hotels and Guest Houses.....	130,900	193,142.87	62,242.87	---
12. Telecommunications and Television.....	6,000,000	4,675,272.67	---	1,324,727.33
13. Fishing.....	334,900	109,631.66	---	225,268.34
15. Copyright.....	---	---	---	---
99. Other.....	53,000	756,245.20	703,245.20	---
<b>05. Rates - Public Works</b>				
01. Water & Sewerage Rates and Charges.....	14,400,000	25,247,864.60	10,847,864.60	---
02. Sewerage Charges.....	10,500	---	---	10,500.00
<b>06. Fees Royalties</b>				
01. Royalties Timber .....	550,900	---	---	550,900.00
03. Royalties - Sand, Coral, Metal, etc.....	12,500	14,855.47	2,355.47	---
<b>07. Fines</b>				
01. Fines.....	3,992,400	2,485,878.55	---	1,506,521.45
<b>08. Administrative Fines and Penalty</b>				
01. Overdue, lost & damaged library books.....	1,400	2,102.64	702.64	---
02. Administrative Fines and Forfeitures.....	13,800	119,266.21	105,466.21	---
Total.....	120,035,600	138,863,130.60	29,650,538.56	10,823,007.96
Net Increase.....			18,827,530.60	---
<b>24 - OPERATING REVENUE - SALES</b>				
01. Sale of Government Department.....	40,200	45,326.00	5,126.00	---
02. Sale of Companies.....	---	81.28	81.28	---
Total.....	40,200	45,407.28	5,207.28	---
Net Increase.....			5,207.28	---
<b>26 - OPERATING REVENUE - TRADING &amp; MANUFACTURING ACCOUNT</b>				
13. VAT.....	---	(5.11)	---	5.11
Total.....	---	(5.11)	---	5.11
Net Decrease.....			---	5.11
<b>27 - OTHER REVENUE AND SURPLUSES</b>				
<b>01. Surplus/Deficit from Agency</b>				
01. RBF Revaluation Reserve Account.....	22,647,000	---	---	22,647,000.00
04. Fumigation.....	---	---	---	---
06. Woodwork and Materials.....	100	---	---	100.00
<b>02. Rent and Hire of Government Property</b>				
01. Land.....	9,589,200	11,466,351.56	1,877,151.56	---
02. Official Quarters.....	2,078,200	1,683,277.45	---	394,922.55
03. Building.....	92,900	25,287.85	---	67,612.15
04. Hire of Plant and Vehicles.....	24,600	54,480.22	29,880.22	---
06. Revenue from Rest Houses.....	3,600	5,705.04	2,105.04	---
07. Crown Schedule 'A' Land Rents.....	21,500	453.67	---	21,046.33
<b>03. Commission Revenue</b>				
01. Commission.....	1,083,400	920,331.56	---	163,068.44
<b>99. Other Revenue</b>				
01. Photographs.....	---	698.89	698.89	---
02. Sales of Publications.....	184,400	242,802.77	58,402.77	---
03. Revenue from Production of Films.....	9,700	2,573.56	---	7,126.44
04. Survey & Sales of Navigation Publications.....	358,200	598,506.12	240,306.12	---
05. Meat Inspection.....	30,500	21,643.16	---	8,856.84

GOVERNMENT OF THE REPUBLIC OF FIJI  
DETAILED REVENUE COMPARISONS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2010	Increase	Decrease
	\$	\$	\$	\$
06. Veterinary and Animal Quarantine.....	23,000	29,085.00	6,085.00	---
07. Freight and Charter Receipts.....	178,700	178,350.19	---	349.81
08. Chemical Analysis.....	3,500	659.56	---	2,840.44
09. Valuation Fees.....	10,700	10,572.99	---	127.01
10. Produce-Agricultural Experimental Stations.....	25,600	59,313.51	33,713.51	---
11. Sale of Surplus Farm Produce.....	43,600	52,710.43	9,110.43	---
12. Agricultural Commercial Undertakings.....	4,800	2,257.62	---	2,542.38
13. Sale of Fish and Ice.....	235,100	225,485.05	---	9,614.95
14. Sale of Sheep and Wool.....	35,300	52,623.86	17,323.86	---
15. Irrigation Commercial Undertakings.....	---	8.71	8.71	---
16. Fiji College of Agriculture.....	28,800	---	---	28,800.00
17. Agricultural Landlord and Tenant Tribunal.....	3,200	3,557.07	357.07	---
20. Board Members Fees.....	74,300	128,153.14	53,853.14	---
99. Miscellaneous.....	10,634,200	9,670,844.03	---	963,355.97
Total.....	47,424,100	25,435,733.01	2,328,996.32	24,317,363.31
Net Decrease.....			---	21,988,366.99
<b>28 - REIMBURSEMENT AND RECOVERIES</b>				
<b>11. Reimbursement of Services</b>				
01. Reimbursement for Meteorological Services.....	441,900	608,988.24	167,088.24	---
02. Reimbursement of Services.....	1,100	---	---	1,100.00
03. Reimbursement of Debt Servicing.....	129,000	---	---	129,000.00
<b>12. Refund of Payments</b>				
01. Training & Productivity Authority of Fiji.....	484,800	264,198.04	---	220,601.96
03. Recoveries of Overpayments in Previous Years.....	3,076,800	(94,464.43)	---	3,171,264.43
<b>21. Contributions</b>				
01. Parental Contributions Tertiary Education.....	---	---	---	---
<b>22. Contributions for Capital Projects</b>				
01. Village Water Supplies.....	85,400	---	---	85,400.00
02. Rural Electrification.....	500	281.73	---	218.27
<b>23. Contributions for Overseas Peace-Keeping</b>				
02. Multinational Force and Observers.....	6,500,000	7,904,007.99	1,404,007.99	---
Total.....	10,719,500	8,683,011.57	1,571,096.23	3,607,584.66
Net Decrease.....			---	2,036,488.43
<b>29 - GRANTS IN AID</b>				
02. New Zealand Bilateral Aid Programme.....	217,400	---	---	217,400.00
03. United Nations Development Programme.....	2,131,700	---	---	2,131,700.00
99. Other Grant Aid.....	9,546,600	8,886,820.97	---	659,779.03
Total.....	11,895,700	8,886,820.97	---	3,008,879.03
Net Decrease.....			---	3,008,879.03
<b>Total Operating Revenue.....</b>	<b>1,458,000,900</b>	<b>1,484,044,676.23</b>	<b>166,793,959.74</b>	<b>140,750,183.51</b>
<b>INVESTING REVENUE</b>				
<b>31 - REPAYMENTS OF TERM LOANS RECEIVABLE</b>				
<b>11. Interest for Social Services Term Loans</b>				
01. Interest on Term Loans.....	400	85.50	---	314.50
<b>21. Interest for Economic Services Term Loans</b>				
01. Interest- Loans to Consumer Co-operatives.....	---	89.94	89.94	---
Total.....	400	175.44	89.94	314.50
Net Decrease.....			---	224.56
<b>33 - DIVIDENDS FROM INVESTMENTS</b>				
01. Investments in Social Services.....	2,779,300	700,624.30	---	2,078,675.70
02. Investments in Economic Services.....	17,668,800	3,000,000.00	---	14,668,800.00
03. Investments in Infrastructure Services.....	16,194,000	9,025,998.63	---	7,168,001.37
Total.....	36,642,100	12,726,622.93	---	23,915,477.07
Net Decrease.....			---	23,915,477.07

GOVERNMENT OF THE REPUBLIC OF FIJI  
DETAILED REVENUE COMPARISONS  
FOR THE YEAR ENDED 31 DECEMBER 2010

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2010	Increase	Decrease
	\$	\$	\$	\$
<b>34 - INTEREST FROM BANK BALANCES</b>				
01. Interest from Overseas Banks .....	500,000	---	---	500,000.00
02. Interest from Local Banks .....	---	39,728,048.27	39,728,048.27	---
03. Interest from T/D with Local Banks .....	200,000	---	---	200,000.00
Total .....	700,000	39,728,048.27	39,728,048.27	700,000.00
Net Increase .....			39,028,048.27	---
<b>35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS</b>				
74. Return of Surplus Capital from TMA Operations .....	1,164,200	15,783.38	---	1,148,416.62
Total .....	1,164,200	15,783.38	---	1,148,416.62
Net Increase .....			---	1,148,416.62
<b>41 - OVERSEAS LOANS</b>				
<b>1. International Development Bank Loans</b>				
01. ADB Loan No. 1530 Fiji Road Upgrading Project (FRUP III) .....	---	---	---	---
02. ADB Loan Suva/Nausori Water Supply .....	10,000,000	---	---	10,000,000.00
03. ADB Loan No. 2541 Flood Recovery .....	10,598,600	4,036,927.93	---	6,561,672.07
05. ADB Loan No. 2514 Supplementary FRUP III .....	10,000,000	6,194,074.40	---	3,805,925.60
06. Malaysia EXIM - Road Rehabilitation .....	4,500,000	---	---	4,500,000.00
07. China Exim - E Government Projects .....	7,500,000	---	---	7,500,000.00
Total .....	42,598,600	10,231,002.33	---	---
Net Decrease .....			---	32,367,597.67
<b>42 - DOMESTIC LOANS</b>				
01. Development and Conversion Loans .....	454,857,100	452,734,100.00	---	2,123,000.00
Total .....	454,857,100	452,734,100.00	---	2,123,000.00
Net Decrease .....			---	2,123,000.00
<b>Total Borrowing Proceeds .....</b>	<b>497,455,700</b>	<b>462,965,102.33</b>	<b>---</b>	<b>34,490,597.67</b>
<b>Grand Total .....</b>	<b>1,993,963,300</b>	<b>1,999,480,408.58</b>	<b>206,522,097.95</b>	<b>201,004,989.37</b>
Net Decrease .....			5,517,108.58	---
<b>SUMMARY OF REVENUE</b>				
Operating Revenue .....	1,458,000,900	1,484,044,676.23	53,077,515.79	27,033,739.56
Investing/Loans Revenue .....	535,962,400	515,435,732.35	39,028,048.27	59,554,715.92
<b>Grand Totals .....</b>	<b>1,993,963,300</b>	<b>1,999,480,408.58</b>	<b>92,105,564.06</b>	<b>86,588,455.48</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI  
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Revised Estimate	Actual Expenditure 2010	(Over) / Under Expenditure
<b>GENERAL ADMINISTRATION</b>	\$	\$	\$	\$	\$
Office of the President	1,156,200	---	1,156,200	1,043,252	112,948
Office of the Prime Minister	30,990,400	(7,833,641)	23,156,759	21,641,209	1,515,550
Attorney General and Solicitor General	6,148,300	(893,099)	5,255,201	4,318,967	936,234
Ministry of Finance	58,071,700	883,105	58,954,805	50,643,203	8,311,602
Ministry of Indigenous Affairs	25,615,700	1,685,327	27,301,027	27,240,175	60,852
Ministry of Defence, National Security and Immigration	5,294,200	(1,687,500)	3,606,700	3,612,759	(6,059)
Ministry of Labour, Industrial Relations and Employment	10,550,600	(331,072)	10,219,528	9,322,885	896,643
Ministry of Foreign Affairs, International Co-operation and Civil Aviation	27,832,700	(4,485,689)	23,347,011	20,937,015	2,409,996
Office of the Auditor General	2,500,200	---	2,500,200	2,528,816	(28,616)
Elections	1,367,100	(374,106)	992,994	894,008	98,986
Judiciary	11,474,400	---	11,474,400	10,536,444	937,956
Legislature	1,063,200	---	1,063,200	925,690	137,510
Office of Accountability and Transparency	1,017,100	(365,000)	652,100	610,494	41,606
Office of the Director of Public Prosecutions	3,602,200	---	3,602,200	3,790,172	(187,972)
Ministry of Justice	17,129,600	---	17,129,600	17,576,287	(446,687)
Ministry of Information	3,490,900	---	3,490,900	3,405,559	85,341
Ministry of National Planning	10,000,400	(2,596,464)	7,403,936	6,633,932	770,004
Ministry of Provincial Dev, Disaster Management and Multi-Ethnic Affairs	48,334,300	(1,037,621)	47,296,679	43,134,188	4,162,491
Fiji Military Forces	101,118,400	92,520	101,210,920	101,016,582	194,338
Fiji Police Force	77,679,000	2,719,527	80,398,527	81,171,995	(773,468)
<b>Total for General Administration</b>	<b>444,436,600</b>	<b>(14,223,713)</b>	<b>430,212,887</b>	<b>410,983,634</b>	<b>19,229,253</b>
<b>SOCIAL SERVICES</b>					
Ministry of Education, National Heritage, Culture and Arts	239,138,400	944,482	240,082,882	239,149,971	932,911
Ministry of Health, Women and Social Welfare	138,714,500	---	138,714,500	153,830,178	(15,115,678)
Ministry of Local Government, Urban Development and Housing	11,258,600	(650,000)	10,608,600	10,236,251	372,349
Ministry of Social Welfare and Women	32,963,300	(1,086,159)	31,877,141	31,216,409	660,732
Ministry of Youth and Sports	2,692,700	---	2,692,700	2,498,145	194,555
Higher Education Institute	61,697,200	---	61,697,200	61,697,203	(3)
<b>Total for Social Services</b>	<b>486,464,700</b>	<b>(791,677)</b>	<b>485,673,023</b>	<b>498,628,157</b>	<b>(12,955,134)</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI  
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Revised Estimate	Actual Expenditure 2010	(Over) / Under Expenditure
<b>ECONOMIC SERVICES</b>	\$	\$	\$	\$	\$
Ministry Primary Industries	75,984,104	(7,606,006)	68,378,098	66,279,948	2,098,150
Ministry of Lands and Mineral Resources	39,122,600	2,182,586	41,305,186	42,991,700	(1,686,514)
Ministry of Industry and Trade	11,962,300	(177,900)	11,784,400	10,651,617	1,132,783
Ministry of Public Enterprise, Tourism and Communication	29,882,900	1,699,054	31,581,954	31,224,281	357,673
<b>Total for Economic Services</b>	<b>156,951,904</b>	<b>(3,902,266)</b>	<b>153,049,638</b>	<b>151,147,546</b>	<b>1,902,092</b>
<b>INFRASTRUCTURE SERVICES</b>					
Ministry of Works and Transport	170,321,900	3,656,187	173,978,087	158,665,807	15,312,280
Department of Public Utilities and Energy	104,549,800	(4,210,734)	100,339,066	94,106,837	6,232,229
<b>Total for Economic Services</b>	<b>274,871,700</b>	<b>(554,547)</b>	<b>274,317,153</b>	<b>252,772,643</b>	<b>21,544,509</b>
<b>UNALLOCABLE</b>					
Miscellaneous Services	85,629,300	19,472,144	105,101,444	98,067,467	7,033,977
Pensions, Gratuities and Compensate Allowances	37,628,200	---	37,628,200	33,138,552	4,489,648
Charges on Account of Public Debt	507,981,000	---	507,981,000	455,343,659	52,637,341
<b>Total for Unallocable Services</b>	<b>631,238,500</b>	<b>19,472,144</b>	<b>650,710,644</b>	<b>586,549,678</b>	<b>64,160,966</b>
<b>GRAND TOTALS</b>	<b>1,993,963,404</b>	<b>(59)</b>	<b>1,993,963,345</b>	<b>1,900,081,658</b>	<b>93,881,686</b>



**GOVERNMENT OF THE REPUBLIC OF FIJI  
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

Schedule 10

<b>Heads of Appropriation</b>	<b>Original Budget</b>	<b>Redeployment</b>	<b>Supplementary Appropriation</b>	<b>Virements</b>	<b>Revised Estimate</b>	<b>Actual Expenditure 2010</b>	<b>(Over) / Under Expenditure</b>
<b>SUMMARY BY SEGS</b>							
1. Established Staff	510,645,878	13,842,789	---	(16,885,506)	507,603,161	516,827,808	(9,224,647)
2. Unestablished Staff	42,047,187	2,984,381	---	189,950	45,221,518	47,273,958	(2,052,440)
3. Travel and Communications	19,940,518	---	---	(48,409)	19,892,109	18,020,653	1,871,456
4. Maintenance and Operations	66,496,175	970,038	---	844,538	68,310,751	67,717,865	592,886
5. Purchase of Goods and Services	58,586,763	1,556,035	---	(3,103,678)	57,039,120	58,308,043	(1,268,923)
6. Operating Grants and Transfers	263,383,647	(85,874)	---	(617,368)	262,680,405	263,155,225	(474,820)
7. Special Expenditures	55,350,100	(6,952,885)	---	10,053,497	58,450,712	51,906,271	6,544,441
8. Capital Construction	159,756,420	(4,110,717)	---	2,933,365	158,579,068	143,323,665	15,255,403
9. Capital Purchase	37,157,210	(6,739,571)	---	(3,536,809)	26,880,830	19,640,531	7,240,299
10. Capital Grants and Transfers	188,079,000	(2,892,161)	---	8,998,145	194,184,984	176,690,151	17,494,833
11. Pensions, Gratuities and Compassionate Allowances	37,628,200	---	---	---	37,628,200	33,138,552	4,489,648
12. Charges on Account of Public Debt	507,981,000	---	---	---	507,981,000	455,343,659	52,637,341
13. Value Added Tax	46,911,306	1,427,964	---	1,172,218	49,511,488	48,735,276	776,212
<b>Grand Total</b>	<b>1,993,963,404</b>	<b>(1)</b>	<b>---</b>	<b>(57)</b>	<b>1,993,963,346</b>	<b>1,900,081,657</b>	<b>93,881,689</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**BUDGET RESULT, ESTIMATE AND PROJECTIONS**  
**FOR THE PERIOD 2008 - 2012**

Schedule 11

	Actual 2008 \$	Actual 2009 \$	Estimate 2010 \$	Actual 2010 \$	Projected 2011 \$	Projected 2012 \$
<b>REVENUE</b>						
Operating Revenue	1,412,410,799	1,352,296,492	1,458,000,900	1,484,044,676	1,643,375,800	1,595,645,100
Investing Revenue	42,524,394	60,548,838	38,506,700	52,470,630	51,831,200	26,406,700
Public Debt - New Borrowings	345,648,652	405,389,740	497,455,700	462,965,103	327,636,000	574,123,000
<b>TOTAL REVENUE</b>	<u>1,800,583,845</u>	<u>1,818,235,071</u>	<u>1,993,963,300</u>	<u>1,999,480,409</u>	<u>2,022,843,000</u>	<u>2,196,174,800</u>
<b>EXPENDITURE</b>						
Operating Expenditure	988,315,017	1,061,666,572	1,056,825,977	1,056,348,375	1,098,826,000	1,081,406,000
Capital Expenditure	212,747,865	335,014,525	379,644,882	339,654,348	189,091,500	249,168,100
Value Added Tax	51,443,023	51,572,901	49,511,487	48,735,276	39,972,200	38,396,700
Public Debt Repayments	427,984,117	463,148,452	507,981,000	455,343,659	781,129,600	408,800,000
<b>TOTAL EXPENDITURE</b>	<u>1,680,490,023</u>	<u>1,911,402,450</u>	<u>1,993,963,346</u>	<u>1,900,081,658</u>	<u>2,109,019,300</u>	<u>1,777,770,800</u>
<b>BUDGET RESULT</b>	<u>120,093,822</u>	<u>(93,167,379)</u>	<u>(46)</u>	<u>99,398,751</u>	<u>(86,176,300)</u>	<u>418,404,000</u>

**Note:**

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

- Capital Expenditure includes SEGs 8 - 10.

**GOVERNMENT OF THE REPUBLIC OF FIJI**  
**DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE**  
**FOR THE PERIOD 2008 - 2012**

Schedule 12

	Actual 2008 \$	Actual 2009 \$	Estimate 2010 \$	Actual 2010 \$	Projected 2011 \$	Projected 2012 \$
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Direct Receipts (Income Tax)	438,546,900	452,920,274	424,656,900	425,983,347	524,569,100	455,407,800
Indirect Revenue						
Customs	331,487,056	326,357,995	329,643,300	350,170,724	406,631,800	377,489,100
Hotel Turnover Tax	20,079,638	24,960,513	25,837,800	30,611,584	26,424,200	27,892,000
Water Resource Tax	---	295,888	305,200	469,773	1,500,000	329,500
Superyacht Charter Fee	---	---	7,500,000	---	7,762,500	8,096,300
VAT	452,943,742	404,688,978	479,942,600	494,895,149	526,569,000	536,568,200
Fees, Fines, Charges and Penalties	109,294,037	97,621,724	120,035,600	138,863,131	113,048,000	128,399,600
Operating Revenue Sales	41,992	55,622	40,200	45,407	25,100	41,800
Other Revenue and Surpluses	34,501,043	24,268,587	47,424,100	25,435,733	35,254,300	49,450,900
Reimbursement and Recoveries	12,891,721	14,897,703	10,719,500	8,683,012	9,139,500	10,723,000
Grant in Aid	12,624,668	6,229,209	11,895,700	8,886,821	214,800	1,246,900
<b>Total Operating Revenue</b>	<b>1,412,410,799</b>	<b>1,352,296,492</b>	<b>1,458,000,900</b>	<b>1,484,044,681</b>	<b>1,651,138,300</b>	<b>1,595,645,100</b>
<b>Investing Revenue</b>						
Repayment of Term Loans Receivable	4,864	532	400	175	100,000	400
Sale of Government Assets	---	300,000	---	---	---	---
Dividends from Investment	21,515,841	22,827,214	36,642,100	12,726,623	48,831,200	25,042,100
Interest from Bank Balance	19,483,097	30,747,615	700,000	39,728,048	1,900,000	200,000
Return of Surplus Capital from Investment	798,352	1,164,197	1,164,200	15,783	1,000,000	1,164,200
Gain on Exchange Rate	722,239	5,509,281	---	---	---	---
<b>Total Investing Revenue</b>	<b>42,524,394</b>	<b>60,548,838</b>	<b>38,506,700</b>	<b>52,470,630</b>	<b>51,831,200</b>	<b>26,406,700</b>
<b>TOTAL REVENUE</b>	<b>1,454,935,194</b>	<b>1,412,845,330</b>	<b>1,496,507,600</b>	<b>1,536,515,311</b>	<b>1,702,969,500</b>	<b>1,622,051,800</b>
<b>EXPENDITURE</b>						
<b>General Administration Services</b>						
Operating Expenditure	329,765,170	353,654,562	354,978,416	348,928,113	353,961,000	349,486,800
Capital Expenditure	47,872,300	54,575,137	63,627,042	52,554,339	36,084,200	44,324,600
<b>Total General Administration</b>	<b>377,637,469</b>	<b>408,229,699</b>	<b>418,605,458</b>	<b>401,482,452</b>	<b>390,045,200</b>	<b>393,811,400</b>
<b>Social Services</b>						
Operating Expenditure	429,265,932	441,645,434	451,161,366	461,451,321	487,670,500	436,173,400
Capital Expenditure	17,886,883	38,568,293	24,357,383	24,588,140	22,283,100	25,099,100
<b>Total Social Services</b>	<b>447,152,815</b>	<b>480,213,726</b>	<b>475,518,749</b>	<b>486,039,461</b>	<b>509,953,600</b>	<b>461,272,500</b>
<b>Economic Services</b>						
Operating Expenditure	76,480,673	83,260,753	82,589,077	82,278,453	87,791,700	79,298,000
Capital Expenditure	31,873,416	64,701,753	59,233,239	58,215,099	43,355,000	54,290,600
<b>Total Economic Services</b>	<b>108,354,088</b>	<b>147,962,505</b>	<b>141,822,316</b>	<b>140,493,551</b>	<b>131,146,700</b>	<b>133,588,600</b>
<b>Infrastructure Services</b>						
Operating Expenditure	94,426,258	109,393,028	92,995,766	94,056,950	114,266,600	161,282,000
Capital Expenditure	102,241,260	150,255,448	167,429,912	145,084,112	72,395,000	89,412,000
<b>Total Infrastructure Services</b>	<b>196,667,518</b>	<b>259,648,476</b>	<b>260,425,678</b>	<b>239,141,062</b>	<b>186,661,600</b>	<b>250,694,000</b>
<b>Miscellaneous Services</b>						
Operating Expenditure	22,843,931	37,618,818	37,473,152	36,494,986	16,508,000	17,537,600
Capital Expenditure	12,874,007	26,913,895	64,997,306	59,212,658	14,974,200	36,040,800
<b>Total Miscellaneous Services</b>	<b>35,717,938</b>	<b>64,532,714</b>	<b>102,470,458</b>	<b>95,707,644</b>	<b>31,482,200</b>	<b>53,578,400</b>
Pensions, Gratuities and Compassionate Allowance	35,533,054	36,093,978	37,628,200	33,138,552	38,628,200	37,628,200
Value Added Tax	51,443,023	51,572,901	49,511,487	48,735,276	39,972,200	38,396,700
Finance Charges on Public Debt	174,253,382	196,480,198	229,471,400	223,952,584	195,840,900	205,598,100
<b>TOTAL EXPENDITURE</b>	<b>1,426,759,287</b>	<b>1,644,734,196</b>	<b>1,715,453,746</b>	<b>1,668,690,583</b>	<b>1,523,730,600</b>	<b>1,574,567,900</b>
<b>NET DEFICIT</b>	<b>28,175,907</b>	<b>(231,888,865)</b>	<b>(218,946,146)</b>	<b>(132,175,271)</b>	<b>179,238,900</b>	<b>47,483,900</b>

**GOVERNMENT OF THE REPUBLIC OF FIJI  
ESTIMATE AND ACTUAL BUDGET RESULT  
FOR THE PERIOD 2008 - 2010**

Schedule 13

	<b>Actual 2008 \$</b>	<b>Actual 2009 \$</b>	<b>Estimate 2010 \$</b>	<b>Actual 2010 \$</b>
<b>REVENUE</b>				
Operating Revenue	1,412,410,799	1,352,296,492	1,458,000,900	1,484,044,676
Investing Revenue	42,524,394	60,548,838	38,506,700	52,470,630
Public Debt - New Borrowings	345,648,652	405,389,740	497,455,700	462,965,103
<b>TOTAL REVENUE</b>	<u>1,800,583,845</u>	<u>1,818,235,071</u>	<u>1,993,963,300</u>	<u>1,999,480,409</u>
<b>EXPENDITURE</b>				
Operating Expenditure	988,315,017	1,061,666,572	1,056,825,977	1,056,348,375
Capital Expenditure	212,747,865	335,014,525	379,644,882	339,654,348
Value Added Tax	51,443,023	51,572,901	49,511,487	48,735,276
Public Debt Repayments	427,984,117	463,148,452	507,981,000	455,343,659
<b>TOTAL EXPENDITURE</b>	<u>1,680,490,023</u>	<u>1,911,402,450</u>	<u>1,993,963,346</u>	<u>1,900,081,658</u>
<b>BUDGET RESULT</b>	<u>120,093,821</u>	<u>(93,167,379)</u>	<u>(46)</u>	<u>99,398,751</u>