

GOVERNMENT OF FIJI ISLANDS

ANNUAL FINANCIAL STATEMENT

For the Year Ended 31 December 2011



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INDEPENDENT AUDIT REPORT

WHOLE OF GOVERNMENT FINANCIAL STATEMENTS AND APPROPRIATION STATEMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011 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; and
- Notes to and Forming Part of the Financial Statements.

The Ministry of Finance is responsible for the preparation and presentation of the financial statements and the information contained therein.

My responsibility is to express an opinion on these financial statements based on my audit.

My audit was 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. My audit procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Whole of Government Financial Statements, the Annual Appropriation Statement and the evaluation of the accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are fairly stated in accordance with the accounting policies in Note 2 and Section 46 and 47 of the Financial Management Act 2004, Section 7 of the State Services Decree 6 of 2009 and Section 6 of the Audit Act, so as to present a view which is consistent with my understanding of the financial performance of the Whole of Government Financial Statements and the Annual Appropriation Statement for the year ended 31 December 2011.

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

Qualification

The absence of bank reconciliations for various bank accounts, bank balances without any cash held, cash at bank balances not recorded, cash at bank with negative balances, material variances between the general ledger and actual cash have a net impact on cash at bank of \$287.8 million. In view of that, I was unable to satisfy myself on the completeness and existence of the cash at bank balances of \$250.8 million as at 31/12/11 as reported in the Statement of Assets and Liabilities.

Qualified Audit Opinion

In my opinion, except for the effects on the Whole of Government Financial Statements and the Annual Appropriation Statement of the matters referred to in the qualification paragraph:

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

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

- Expenditure totaling \$14.5 million was disbursed by the Ministry of Finance for certain Ministries/Departments for *Travel and Communications*, *Purchase of Goods and Services* and *Capital Grants and Transfers* through Standard Liability Group (SLG) 84. There was no acquittal or policy guideline to support SLG 84 transactions; as such sums utilized by these Ministries/Departments could not be verified.
- The correctness of operating revenue receipted through the Accounts Receivable Module of the Financial Management Information System, totaling \$27.3 million, reflected in the *Consolidated Statement of Receipts and Payments* in schedule 2 of the Whole of Government Financial Statements could not be substantiated and was not correctly accounted in accordance with cash basis of accounting as in Note 1 to the Financial Statements.
- Investments totaling \$14.2 million which included inoperative entities (\$6.5 million); investments with Fiji Ships and Heavy Industries Limited (\$7.66 million) which have been disposed off were not properly evaluated and were still being recorded in the *Statement of Assets and Liabilities*. Accordingly I have not been able to satisfy myself on the completeness and existence of investments as at 31 December 2011.
- Share certificates were not produced for investments totaling \$52.6 million. I was not able to satisfy myself on the completeness and accuracy of the Government shareholding balances and whether these were fairly stated and did exist as at 31/12/2011.
- Proper reconciliations and records to substantiate borrowing revenue totaling \$650.5 million in the *Statement of Receipts and Payments* in Schedule 2 and debt owed by the Government as at 31/12/11 totaling \$3.5 billion in Note 19 were lacking. Hence I was not able to verify the accuracy and the completeness of the borrowing revenue and total debt owed by Government.
- In the absence of reconciliations, revenue collected for Land Transport Authority \$43.5 million, departure taxes \$61.3 million and water rates \$24.7 million as reflected in the *Statement of Receipts and Payments* in Schedule 2 could not be substantiated.
- Trust accounts with Ministries/Departments were overdrawn by \$9.7 million contrary to Finance Circulars 4 of 30/3/98.

- Balances in the Trading Manufacturing Accounts (TMA) surplus and accumulated surplus of \$24.6 million could not be substantiated as no supporting documentations were provided. Therefore, I was not able to verify the accuracy and the completeness on the maintenance of those records to show that the TMA were fairly stated
- Lending Fund Account contained errors and omission of \$1.7 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 2011.
- A prior year adjustment of \$48,853,126 in the Consolidated Fund Statement of Receipts and Payments could not be substantiated for adjustments made in 2011.



Tevita Bolanavanua
AUDITOR GENERAL

Suva, Republic of Fiji
19 September 2011



GOVERNMENT OF THE REPUBLIC OF FIJI

I. The Economy

1. In 2011, the economy is estimated to have grown by 2.0 percent following contractions of 0.2 percent and 1.3 percent in 2010 and 2009, respectively. The main sectors underpinning the estimated 2011 growth were the agriculture industry; financial intermediation; hotels & restaurants; transport & storage and public administration & defence sectors, while moderate contribution was noted from the education sector.

2. Performance in the agricultural industry is estimated to have rebounded in 2011 on account of recovery from the impact of Cyclone Tomas in 2010. Specifically, sugarcane and sugar production increased by 17.9 percent and 26.7 percent on an annual basis following four consecutive years of decline. The hotels & restaurants sector and tourism-related activities also noted improved outcomes as a result of record high visitor arrivals in 2011. Visitor arrivals totalled 675,050 representing an annual increase of 6.8 percent. In contrast, the mining & quarrying industry recorded poor performance last year mainly on account of lower activity at the Vatukoula gold mine. Gold production fell by 18.8 percent over the year to a production level of 50,451 ounces.

3. Partial indicators suggest that overall demand in 2011 was driven by a pick-up, albeit moderate, in consumption activity. Net Value Added Tax (VAT) collections, a partial indicator for consumer spending, rose by 24.7 percent on an annual basis. This however, was attributed mainly to the increase in the VAT rate from 12.5 percent to 15.0 percent in January 2011. In addition, new lending for consumption purposes was significantly higher on an annual basis by 95.6 percent. Similarly, imports of consumption goods cumulative to November grew by 13.3 percent over the year.

4. Investment for 2011 is estimated at around 16.0 percent of GDP. New lending for investment purposes rose by an annual 65.5 percent in 2011, suggesting firms' willingness to increase investment in line with the positive growth outlook for 2012. Nevertheless, investment intentions and activities in 2011 had been focused on Fiji's tourism and resource related sectors.

5. Labour market conditions remained subdued in 2011, as reflected by partial indicators. According to the RBF's Job advertisement Survey, the number of vacant positions advertised in 2011 noted a decline of 11.4 percent. This significant decline however, was partially due to base effects, as the number of jobs advertised for the tourist industry rose significantly in May 2010 with the recovery in visitor arrivals. New taxpayer registrations declined by around 44.0 percent, underpinned by the relatively subdued external and domestic demand conditions, coupled with the end of the compulsory registration period in August 2011.

6. Inflation rose in the beginning of 2011 and reached a high of 10.4 percent in August before easing with the slowing global economy, leading to falling commodity prices and therefore lower domestic prices. This was further complemented by the fading away effect of the increase in the electricity tariff rate restructure in November 2010. However, at the same time, the increase in taxi fares in November last year exerted some further inflationary pressures. As a result, the 2011 year end inflation rate stood at 7.7 percent.

II. Balance of Payments

7. Total exports increased by an estimated 8.9 percent in 2011 following a 31.3 percent decline in 2010. In the same period, domestic exports fell by 1.6 percent compared to a 19.9 percent increase in 2010. The lower domestic exports in 2011 is estimated to be from lower exports of fish, timber, textiles & footwear and gold which more-than-offset the higher exports of sugar, mineral water and other domestic exports.

8. Total imports rose by an estimated 6.6 percent in 2011 after a 24.1 percent increase in the previous year. The increase in imports was led by higher imports of food & beverages, machinery & transport equipment, mineral fuels and oil & fats. As a result, the total trade deficit is estimated to have widened by 4.7 percent during the year.

9. The Current Account deficit is estimated to have been around 10.0 percent of GDP in 2011, slightly lower than the 2010 level of 10.6 percent of GDP. The narrowing deficit is the result of a higher estimated surplus in the Services and Income accounts which more-than-offset the higher deficit in the Goods Account (trade deficit). However, the overall Balance of Payments position improved by around \$367 million from the previous year.

10. Foreign reserves at the end of 2011 were around \$1,513 million, equivalent to 5.0 months of retained imports of goods and non-factor services.

III. Interest Rates

11. The comfortable level of foreign reserves throughout 2011 continued to boost bank liquidity levels which reached a relatively higher year-end level of \$510.2 million. Consequently, commercial banks' weighted average interest rates trended downwards as the time deposit rate fell further by 176 basis points to 2.97 percent, while the savings deposit rate fell by 11 basis points to 0.91 percent on an annual basis.

12. The weighted average lending rate was 7.42 percent during the same period. In effect, improving growth prospects are beginning to boost financial conditions, moderately aided by some declines in risk aversion. Nonetheless, continued improvement in the investment climate should sustain increased credit growth and support broad economic activity into the medium term.

IV. Secondary Bond Market

13. In 2011, the only activity recorded in the secondary bond market constituted the South Pacific Stock Exchange's trade in the Fiji Development Loan Long Term bond with a face value of \$7,500, reflective of the relatively high levels of liquidity in the banking system and restrained investment demand.

V. Monetary and Financial Policy

14. The Reserve Bank of Fiji is entrusted with the conduct of monetary policy. In 2011, the Reserve Bank continued with its accommodative monetary policy stance to achieve its twin objectives of maintaining low inflation and having an adequate level of foreign reserves.

15. The improved performance in the tourism sector together with softness in domestic demand ensured that foreign reserves remained at comfortable levels throughout 2011. At the same time, inflation outcomes were largely driven by higher imported food and fuel prices and higher VAT rate which accounted for much of the elevation in consumer prices during the year. As such, since inflation was not demand driven, monetary policy formulation became increasingly focused on supporting improved economic activity.

16. In February, the Reserve Bank reduced its OPR to 2.0 percent from 2.5 percent to stimulate demand by reducing borrowing costs and creating an environment conducive to investment and economic growth. At the end of the first quarter, private sector credit growth remained weak and was not sufficient to arrest the continuing decline in domestic credit.

17. In April, while rising crude oil and food prices posed ongoing concerns for household and business spending, the bank further reduced the OPR to 1.5 percent.

18. Typically, an easing in the Bank's policy rate should see a decline in deposit and lending rates translate to an uptick in credit. However, the response of credit and monetary variables to the Bank's accommodative policy stance was slow and varied. New commercial bank lending in the first five months contracted annually by 23.9 percent, while movements in lending and deposit rates were mixed. Despite the increase in bank excess liquidity to \$580.4 million in June from \$520.7 million a month earlier, the credit situation remained weak.

19. In July, the Reserve Bank pursued moral suasion with commercial banks, requesting them to achieve a lending growth target of 10 percent preferably to the priority sectors of agriculture, manufacturing, building & construction, renewable energy and small & medium enterprises (SME). The loan growth target, intended to support the economic recovery in key growth sectors of the economy, was to be achieved over a period of 12 months.

20. The RBF further reduced the OPR in October to 0.5 percent. The more stimulative monetary policy stance was aimed at fuelling private sector demand to support growth. Given that overall monetary conditions remained largely accommodative in 2011, credit growth moved to positive territory from a year earlier. Domestic credit rose by 6.2 percent in December from a year earlier, led by the steady growth in private sector lending, evident in the 8.1 percent annual growth in commercial bank lending. The comfortable level of foreign reserves throughout 2011 continued to boost bank liquidity levels which reached a relatively higher year-end level of \$510.2 million

21. 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 be more vigilant in strengthening the safety and soundness of Licensed Finance Institutions and enhancing the overall resilience of the financial system. Overall, the financial system remained stable and recorded strong growth in 2011.

22. On the supervisory front, for licensed banks, the Reserve Bank finalised and implemented three supervision policies to increase transparency and accountability while closer monitoring of the FNPF was intensified during the year to ensure that reforms were sound and sustainable. In the capital markets, four new regulatory policies were introduced to improve supervision. Onsite examinations and spot checks for other Licensed Financial Institutions, Restricted Foreign Exchange Dealers and Money Changers were also carried out during the

year. Additionally, the Reserve Bank was mandated and conducted onsite examinations of microfinance institutions as well.

23. During the year, the Reserve Bank also issued a revised guideline on fees and charges for licensed banks in Fiji. The guideline also identified new disclosure requirements as well as standardisation in disclosure details.

24. In the Insurance industry, two new policies were implemented to improve soundness and transparency. These included minimum responsibilities for licensed insurers and mandatory Key Disclosure Statements by insurers.

25. In 2011, 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 and accelerated repatriation of commercial bank's retained earnings. Additionally, FNPF and other non-bank financial institutions were also allowed to make additional investments offshore.

26. The Import Substitution and Export Finance Facility, was expanded to include honey, poultry and pig farming.

27. The Reserve Bank continued to promote the development of the economy through partnerships with other organisations and road shows. In this regard, the Bank extended its support to the 2011 Crest Agriculture Show and the Fiji Development Bank and Investment Fiji's Small Business and Exporter of the Year awards. Additionally, the Bank held a microfinance exposition in Suva and the Maritime zone to encourage financial literacy and inclusion.

28. The RBF continued its work on handling complaints management against regulated financial institutions. A total of 74 complaints were lodged in 2011 of which 39 were resolved, 2 were before the courts while investigations for the remainder were carried onto 2012.

29. The Bank also finalised the flora and fauna designs for Fiji's new banknotes and coins that will be launched in late 2012.

VI 2011 BUDGET

30. The Budget Estimates for 2011 provided total revenue of \$1,745,672,600¹ and total expenditure of \$2,480,472,174. The actual out-turn for the year, however, showed receipts totalling \$1,801,266,857 and expenditure amounting to \$2,402,752,517.

Comparison with Estimates

31. The table below compares the final out-turn for 2011 with its estimate and the actual outturn for 2009 and 2010.

¹ Excludes borrowing/loans

	2009	2010	2011	2011
(\$000)	Actual	Actual	Estimate	Actual
Expenditure				
Operating (SEG 1-7)	1,025,572.6	1,023,209.8	1,076,667.4	1,060,642.4
Operating - Pensions	36,094.0	33,138.6	37,628.2	33,374.3
Operating (SEG 12)	463,148.5	455,343.7	797,586.9	770,221.9
Capital (SEG 8-10)	335,014.5	339,654.3	516,847.9	494,534.9
VAT (SEG 13)	51,572.9	48,735.3	51,741.7	43,979.0
Total Expenditure	1,911,402.4	1,900,081.7	2,480,472.2	2,402,752.5
Revenue				
Operating Revenue	1,352,296.5	1,484,044.7	1,665,997.4	1,771,566.9
Capital Revenue	60,548.8	52,470.6	79,675.2	29,699.9
Total Revenue ²	1,412,845.3	1,536,515.3	1,745,672.6	1,801,266.9

Comparison with Past Revenue and Expenditure Out-turn

32. The table below compares the budget and actual out-turn for 2011 against the performance of previous four years.

Year	Actual Revenue (\$000)	Actual Expenditure (\$000)
2007	1,391,254.4	1,726,190.2
2008	1,454,935.2	1,680,490.0
2009	1,412,845.3	1,911,402.4
2010	1,536,515.3	1,900,081.7
2011	1,801,266.9	2,402,752.5

REVENUE

33. Actual revenue receipts for 2011 totaled \$1,801,266,857 with operating revenue accounting for \$1,771,566,941 and the remainder of \$29,699,916 representing capital revenue receipts. The operating and capital receipts for the past five years are displayed below:

	(\$000)			%
Year	Operating Revenue	Capital Revenue	Total Revenue	Change in Total Revenue
2007	1,347,870.9	43,383.5	1,391,254.4	-0.3%
2008	1,412,410.8	42,524.4	1,454,935.2	4.6%
2009	1,352,296.5	60,548.8	1,412,845.3	-2.9%
2010	1,484,044.7	52,470.6	1,536,515.3	8.8%
2011	1,771,566.9	29,699.9	1,801,266.9	17.2%

² Excludes borrowing/loans

Operating Revenue

34. The following table highlights the total amounts collected from major operating revenue categories over the years 2007-2011.

	\$000	\$000	% Change	\$000	% Change	\$000	% Change	\$000	% Change
	2007	2008	2007-2008	2009	2008-2009	2010	2009-2010	2011	2010-2011
Direct Taxes	438,337.40	438,546.90	0%	452,920.27	3%	425,983.35	-6%	478,807.32	12%
% of Total	33%	31%		33%		29%		27%	
Indirect Taxes	792,025.90	804,510.44	2%	756,303.37	-6%	876,147.23	16%	1,094,859.71	25%
% of Total	59%	57%		56%		59%		62%	
Customs	326,193.90	331,487.06	2%	326,357.99	-2%	350,170.72	7%	342,677.46	-2%
% of Total	24%	23%		24%		24%		19%	
VAT	465,831.90	452,943.74	-3%	404,688.98	-11%	494,895.15	22%	618,859.01	25%
% of Total	35%	32%		30%		33%		35%	
HTT	13,381.40	20,079.64	50%	24,960.51	24%	30,611.58	23%	36,285.37	19%
% of Total	1%	1%		2%		2%		2%	
Fees and Charges	64,193.90	109,294.04	70%	97,621.72	-11%	138,863.13	42%	117,513.46	-15%
% of Total	4.80%	8%		7%		9%		7%	
Grants in Aid	3,518.70	12,624.67	259%	6,229.21	-51%	8,886.82	43%	6,774.77	-24%
% of Total	0.30%	1%		0.50%		1%		0%	
Other receipts	31,807.90	34,501.04	9%	24,268.59	-30%	25,435.73	5%	56,165.36	121%
% of Total	2.40%	2%		2%		2%		3%	
Reimbursement & Recoveries	17,981.10	12,891.72	-28%	14,897.70	16%	8,683.01	-42%	17,446.33	101%
% of Total	1.30%	1%		1%		1%		1%	
Sales Revenue	5.9	41.99	612%	55.62	33%	45.41	-18%	0	-100%
% of Total	0.40%	0%		0.004%		0%		0%	
Total Operating Revenue	1,347,870.90	1,412,410.80	5%	1,352,296.49	-4%	1,484,044.68	10%	1,771,566.94	19%

35. Compared to the budgetary estimate of \$1,665,997,400; the actual operating revenue outturn for 2011 accumulated to \$1,771,566,944; an increase of \$54,657,965 or 3.3 percent. This was largely attributed due to higher than expected collections from Direct Taxes; Indirect Taxes (VAT, Import Excise Duties, Excise Duties, Export Duties, Hotel Turnover Tax Water Resource Tax and Departure Tax); and Fees, Fines and Charges.

36. Customs and Excise collections represent 19.3 percent of total operating revenue of 2011. Collections from customs and excise taxes were as follows:

(\$000)	Estimates	Actual
Fiscal Duty	356,802.10	237,083.38
Excise Duty	---	76,092.32
Export Duty	---	7,455.64
Import Excise Duty	---	22,803.11
Luxury Vehicle Levy	---	95.00
Miscellaneous Fees and Receipts	---	(851.99)
Total	356,802.10	342,677.46

37. Grant-In-Aid receipts in 2011 totaled \$6,774,770 compared to an estimate of \$8,322,200. The lower than expected receipts are mainly due to non-disbursement of funds from the United Nations Development Programme and Australian Development Grant.

(\$000)	Estimate	Actual
1. Australian Development Grant	95.70	---
2. New Zealand Bilateral Aid Programme	---	---
3. United Nations Development Programme (UNDP)	2,600.60	---
4. Other Grant in Aid	5,625.90	6,774.77
Total Aid Receipts	8,322.20	6,774.77

Capital Revenue

38. Capital revenue receipts for 2011 amounted to \$29,699,916, lower than estimated collections of \$79,675,200 by \$49,975,238. This is mainly due to lower than expected receipts from Sale of Government Assets and Dividends from Investments.

39. The performance of main components of capital revenues over the years 2007-2011 is illustrated in the table below:

(\$000)	2007	2008	2009	2010	2011
Repayment of Term Loans Receivable	39.1	4.9	0.5	0.2	0.1
Sale of Government Assets	-	-	300.0	-	200.9
Dividends from Investments	21,971.2	21,515.8	22,827.2	12,726.6	10631.8
Interest from Bank Balances	19,743.2	19,483.1	30,747.6	39,728.0	18867.1
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	---
Total	43,383.5	42,524.4	60,548.8	52,470.6	29,699.9

EXPENDITURE

40. The 2011 Revised Estimate stood at \$2,480,472,174. Actual expenditure for the year stood at \$2,402,752,517; reflecting an under expenditure of \$77,719,657 or 3.1 percent compared to the revised budget.

41. The composition of actual expenditure is \$1,864,238,629 (77.6 percent) operating, \$494,534,924 (20.6 percent) capital expenditure and \$43,978,964 (1 percent) VAT, compared with the revised budget composition of 77.1 percent operating expenditure, 20.8 percent capital expenditure and 2.1 percent VAT.

42. 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 2007 - 2011**

Sector	2007		2008		2009		2010		2011	
	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure	\$m	% of Total Expenditure
Operating	355.9		329.8		353.7		348.9		388.4	
Capital	49.9		47.9		54.6		52.6		36.5	
VAT	25.4		8.3		10.2		9.5		15.1	
Tot. General Admin.	431.2	25	386.0	23	418.5	22	411.0	22	440.0	18.3
Operating	472.0		429.3		441.6		461.5		485.9	
Capital	45.1		17.9		38.6		24.6		20.6	
VAT	54.6		18.0		11.2		12.6		8.9	
Tot. Social	571.7	33	465.2	28	491.4	26	498.6	26	515.4	21.4
Operating	83.2		76.5		83.3		82.3		61.7	
Capital	15.4		31.9		64.7		58.2		48.8	
VAT	10.4		5.3		6.8		10.7		5.2	
Total Economic	109.0	6	113.7	7	154.8	8	151.1	8	115.7	4.8
Operating	54.0		94.4		109.4		94.1		99.1	
Capital	49.4		102.2		150.3		145.1		223.3	
VAT	11		17.5		21.9		13.6		12.4	
Tot. Infrast.	114.4	7	214.2	13	281.5	15	252.8	13	334.8	13.9
Operating	451.2		486.4		536.9		525.0		829.0	
Capital	47.1		12.9		26.9		59.2		165.4	
VAT	1.6		2.3		1.4		2.4		2.5	
Tot. Unallocable³	499.9	29	501.6	30	565.2	30	286.5	31	996.9	41
Total Operating	1,416.1		1,416.4		1,524.8		1,511.7		1,864.2	
Total Capital	207.0		212.8		335.0		339.7		494.5	
VAT	103.0		51.4		51.6		48.7		44.0	
Grand Total	1,726.1		1,680.6		1,911.4		1,900.1		2,402.7	

³ Includes, Miscellaneous Services, Pensions and Charges on Account of Public Debt

43. 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
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
2011	523.2	22	770.2	32	1,109.4	46	2,402.8

44. A comparative table between the revised estimate and actual expenditure for the period 2007 – 2011 is as follows:

Year	Revised Estimate (\$m)	Actual Expenditure (\$m)	Variation	
			(\$m)	%
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)
2011	2,480.7	2,402.8	(77.9)	(3)

45. A summary of the 2011 actual outturn by Standard Expenditure Groups (SEGs) as compared to the revised estimates is presented in the following table:

2011 EXPENDITURE BY SEG					
Standard Expenditure Group	Revised \$000	Actual \$000	Variation \$000	%	
1. Established Staff	518,824.2	523,150.3	4,326.1	0.8	
2. Government Wage Earners	43,228.4	46,112.6	2,884.1	6.7	
3. Travel and Communications	22,157.3	20,544.4	(1,612.9)	(7.3)	
4. Maintenance and Operations	75,248.3	72,408.6	(2,839.7)	(3.8)	
5. Purchase of Goods and Services	71,183.6	67,059.9	(4,123.8)	(5.8)	
6. Operating Grants and Transfers	295,509.6	292,301.9	(3,207.8)	(1.1)	
7. Special Expenditure	50,515.8	39,064.8	(11,451.1)	(22.7)	
TOTAL DEPARTMENTAL	1,076,667.4	1,060,642.4	(16,025.0)	(1.5)	
Un-allocable Operating Expenditures					
Pensions, Compassionate Allowances	37,628.2	33,374.3	(4,253.9)	(11.3)	
Charges on Account of Public Debt	797,586.9	770,221.9	(27,365.0)	(3.4)	
TOTAL OPERATING	1,911,882.5	1,864,238.6	(47,643.9)	(2.5)	
8. Capital Construction	186,504.7	181,887.9	(4,616.8)	(2.5)	
9. Capital Purchase	22,839.1	20,512.5	(2,326.5)	(10.2)	
10. Capital Grants and Transfers	307,504.1	292,134.5	(15,369.6)	(5)	
TOTAL CAPITAL	516,847.9	494,534.9	(22,313.0)	(4.3)	
13. VAT	51,741.8	43,979.0	(7,762.8)	(15.0)	
TOTAL EXPENDITURE	2,480,472.2	2,402,752.5	(77,719.7)	(3.1)	

SEG 1 - Established Staff (Over-expenditure - \$4,326,135)

46. Actual spending in SEG 1 recorded an over-expenditure of \$4.3 million or 0.8 percent above the revised estimate of \$518.8 million. The major overspending was recorded in the following Ministries: Provincial Development (\$0.4 million); Fiji Military Forces (\$2.9 million); Police (\$1.8 million); Education (\$3.9 million) and Health (\$11.2 million). However, some notable under spending were also recorded in: Office of the Attorney General and Solicitor General (\$0.7 million), Ministry of Finance (\$0.6 million), Foreign Affairs and International Co-operation (\$0.4million), Office of the Auditor General (\$0.5 million), Judiciary (\$2.0 million), Director Public Prosecution Office (\$0.45million), Strategic Planning (\$0.9 million), Primary Industries (\$1.2million), Lands and Mineral Resources (\$0.7 million), Industry and Trade (\$0.9 million), Public Enterprise (\$0.8million), Works and Transport (\$0.7million), and Miscellaneous Services (\$4.1 million).

SEG 2 – Government Wage Earners (Over-expenditure - \$2,884,130)

47. The actual expenditure of \$46.1 million was \$2.9 million above the revised estimate of \$43.2 million, which was mainly reflective of the over spending in the Fiji Military Force (\$0.4 million), Ministry of Health (\$3.3million), and Primary Industries (\$0.3 million), which more than offsets the under-spending recorded in other Ministries such as: Finance (\$0.07 million), Foreign Affairs and International Cooperation (\$0.03 million), Judiciary (\$0.04million), Provincial Development (\$0.03 million), Fiji Police (\$0.14million), Education (\$0.2 million)Lands and Mineral Resources (\$0.2 million), Industry and Trade (\$0.04million), Public Enterprise (\$0.04million), and Works and Transport (\$0.3million).

SEG 3 - Travel and Communications (Under-expenditure - \$1,612,852)

48. Overall, SEG 3 recorded an under-expenditure of \$1.6 million when comparing actual expenditure of \$20.5 million against the revised estimate of \$22.2 million. The notable under spending were recorded in: Office the Prime Minister (\$0.02), Public Service Commission (\$0.04 million), Finance (\$0.09 million), iTaukei Affairs (\$0.02million), Defence and Immigration (\$0.02 million), Labour and Industrial Relations (\$0.02 million), Foreign Affairs and International Co-operation (\$0.1 million); Judiciary (\$0.03 million), Director Public Prosecution (\$0.03million), Information(\$0.02million), Strategic Planning (\$0.02million), Fiji Military Forces (\$0.03million), Police (\$0.02million), Education (\$0.03 million), Health (\$0.08 million); Youth & Sports (\$0.04 million), Social Welfare and Women (\$0.01 million), Primary Industries (\$0.05million), Lands and Mineral Resources (\$0.02 million), Public Enterprise (\$0.06million), Works and Transport (\$0.1 million) and Miscellaneous Services (\$0.5 million). However, there was an over-expenditure recorded under the Office of the President (\$0.009 million).

SEG 4 - Maintenance and Operations (Under-expenditure - \$2,839,740)

49. The actual expenditure of \$72.4 million was \$2.9 million or 3.8 percent below the revised estimate of \$75.2 million. The major contributors to this under-spending were: Office of the President(0.05 million), Public Service Commission (\$0.4 million), Finance (\$0.2 million), Defence(\$0.03 million), Labour and Industrial Relations (\$0.04million),Foreign Affairs and International Co-operation (\$0.4 million), Elections Office (\$0.02 million), Provincial Development (\$0.03million), Legislature (\$0.02 million), the Director of Public Prosecution(\$0.02 million), Information (\$0.02 million),Fiji Military Forces (\$0.3 million), Fiji Police Force (\$0.05 million), Health (\$0.2 million), Primary Industries (\$0.05 million), Fisheries and Forests (\$0.05

million), Lands and Mineral Resources (\$0.5 million), Industry and Trade (\$0.07 million), Public Enterprise (\$0.06 million), Works and Transport (\$0.02 million).

SEG 5 - Purchases of Goods and Services (Under-expenditure - \$4,123,770)

50. The SEG 5 actual spending for 2011 stood at \$67.1 million which is \$4.1 million or 5.8 percent below the revised estimate of \$71.2 million. The major contributors to this under-spending were: Office of the President (\$0.05 million), Office of the Prime Minister (\$0.04 million), Public Service Commission (\$0.03 million), Office of the Attorney General (\$0.95 million), Finance (\$0.2 million), Defence (\$0.05 million), Foreign Affairs and International Co-operation (\$0.2 million), Elections Office (\$0.02 million), Office of the Director of Public Prosecution (\$0.04 million), Provincial Development (\$0.06 million), Justice (\$0.06 million), Information (\$0.2 million), Strategic Planning (\$0.03 million), Fiji Military Forces (\$0.08 million), Social Welfare (\$0.03 million), Youth and Sports (\$0.04 million), Primary Industries (\$0.05 million), Fisheries and Forest (\$0.06 million), Lands and Mineral Resources (\$0.3 million), Industry and Trade (\$0.04 million), Public Enterprise (\$0.8 million), Works and Transport (\$1.7 million), Public Utilities (\$0.2 million) and Miscellaneous Services (\$0.4 million). However, there were over-expenditures recorded under Labour and Industrial Relations (\$0.002 million), Fiji Police Force (\$0.01 million), Education (\$0.06 million) and Health (\$1.5 million).

SEG 6- Operating Grants and Transfers (Under-expenditure - \$3,207,774)

51. This SEG caters for operating grants and transfers to agencies, organisations and other bodies outside the central Government but are responsible for delivering public services for which they are contracted and bound by performance agreements to perform. An under-expenditure of \$3.2 million or 1.1 percent was recorded when comparing actual expenditure of \$292.3 million against the revised estimate of \$295.5 million. This is mainly attributed to the under spending in: Public Service Commission (\$0.03 million), Foreign Affairs and International Cooperation (\$0.2 million), Office of the Ombudsman (\$0.2 million), Fiji Military Forces (\$0.07 million), Health (\$0.3 million), Local Government (\$0.07 million), Social Welfare and Women (\$0.7 million), Higher Education (\$0.1 million), Fisheries and Forests (\$0.05 million), Public Enterprise (\$0.4 million), and Miscellaneous Services (\$0.9 million). At the same time, Primary Industries recorded an overspending in this SEG of \$0.05 million.

SEG 7 - Special Expenditures (Under-expenditure - \$11,451,106)

52. 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 \$50.5 million and the actual expenditure stood at \$39.1 million resulting in an under spending of \$11.5 million or 22.7 percent against the budget. The under spending in SEG 7 is attributed mainly to: Office of the Prime Minister (\$0.02 million), Public Service Commission (\$0.1 million), Office of the Attorney General (\$0.3 million), Finance (\$0.04 million), iTaukei Affairs (\$0.1 million), Defence (\$0.03 million), Labour, Industrial Relations and Employment (\$0.3 million), Foreign Affairs and International Cooperation (\$0.6 million), Elections Office (\$0.04 million), Judiciary (\$0.1 million), Legislature (\$0.05 million), Information (\$0.04 million), Strategic Planning (\$1.4 million), Provincial Development (\$0.1 million), Fiji Military Forces (\$0.04 million), Fiji Police Force (\$0.04 million), Health (\$1.3 million), Local Government, Urban Development, Housing and Environment (\$0.7 million), Social Welfare and Women (\$0.5 million), Primary Industries (\$0.4 million), Industry and Trade (\$0.7 million), Lands and Mineral Resources (\$0.9 million), Public Enterprise, Tourism and Communications

(\$0.2 million), Public Utilities (\$0.7million) and Miscellaneous Services (\$2.6 million). In addition, there was an over-expenditure recorded under Ministry of Education (\$0.03 million).

SEG 8 - Capital Construction (Under-expenditure - \$4,616,788)

53. The actual expenditure stood at \$181.9 million compared to the revised estimate of \$186.5 million, thus resulted in an under-expenditure of \$4.6 million or 2.5 percent below the budget. The major contributors to the under spending were: Public Service Commission (\$0.07 million), Foreign Affairs (\$0.3 million), Prisons (\$0.3 million), Provincial Development (\$0.2 million), Fiji Military Forces (\$0.3 million), Fiji Police Force (\$0.3 million), Local Government (\$0.2 million), Education (\$0.2million), Primary Industries (\$0.4 million), Fisheries and Forests (\$0.2 million), Lands and Mineral Resources (\$0.4 million), Works and Transport (\$1.6 million) and Public Utilities (\$0.1 million). There was no overspending recorded in any of the Ministries.

SEG 9 - Capital Purchases (Under-expenditure - \$2,326,556)

54. 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 \$20.5 million against the revised estimate of \$22.8 million; which resulted in an under spending of \$2.3 million or 10.2 percent below the budget. The under-expenditure was largely attributed to: Public Service Commission (\$0.2million), Finance (\$0.05 million), Judiciary (\$0.2 million), Office of the Director of Public Prosecution (\$0.09 million), Justice (\$0.2 million), Fiji Military Forces (\$0.3 million), Local Government (\$0.2 million), Industry and Trade (\$0.08 million), Works and Transport (\$0.5 million), and Miscellaneous Services (\$0.7 million). The under-spending more than offsets the overspending recorded in: Health (\$0.06 million) and Primary Industries (\$0.05 million).

SEG 10 - Capital Grants and Transfers (Under-expenditure - \$15,369,630)

55. 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 \$292.1 million compared to the revised estimate of \$307.5 million, thus leaving an under-expenditure of \$15.4 million or 5 percent below the budget. The under spending is mainly attributed to the following Ministries: Office of the Prime Minister (\$0.4 million), iTaukei Affairs (\$0.07 million), Provincial Development and Disaster Management (\$1.4 million), Education (\$0.04 million), Primary Industries (\$0.1 million), Works and Transport (\$0.3 million) and Miscellaneous Services (\$22.9 million).The under-spending more than offsets the overspending recorded in : Public Utilities and Energy (\$9.9 million).

SEG 11-Pensions, Gratuities and Compassionate Allowances (Under- expenditure - \$4,253,897)

56. The revised estimate of \$37.6 million when compared to the actual expenditure of \$33.1 million, recorded an under-expenditure of \$4.3 million or 11.3 percent below budget. This is mainly attributed to the under spending in the following categories: Gratuities – Commuted Pension, Ex-Gratia and Compassionate (\$0.4 million), Pensions Civil and Compassionate (\$1.2 million), Cost of Living Allowances to Pensioners (\$1.3 million), Gratuities – Contract Officers (\$0.1 million), Fiji Military Forces – Pensions, Service and Disability, Retired Pay and Gratuities (\$0.1 million), Ex Governor General, Presidents', Ex-Prime Ministers' Pension (\$0.4 million), Ex Parliamentarians (\$0.3 million), and Pension to Former CJ and Retired Judge (\$0.3 million).

SEG 12 - Charges on Account of Public Debt (Under-expenditure - \$27,365,003)

57. Actual expenditure under this category totalled \$770.2 million, which is \$27.3 million or 3.4 percent below the revised estimate of \$797.5 million. Major under-spending was recorded in the Overseas Loans – Interest Payments (\$1.9 million), Overseas Loans – Principal Repayments (\$14.3 million); Domestic Loans – Interest (\$7.1 million) and Miscellaneous Payments (\$1.1 million).

SEG 13 - VAT (Under-expenditure - \$7,762,806)

58. Actual expenditure amounted to \$44 million, compared to the revised estimate of \$51.7 million, therefore resulted in an under-expenditure of \$7.7 million or 15 percent below the budget. The major under spending in SEG 13 were recorded in the following Ministries: Prime Minister's Office (\$0.06 million), Office of the Attorney General (\$0.2 million), Finance (\$0.7 million), iTaukei Affairs (\$0.05 million), Defence, National Security and Immigration (\$0.06 million), Foreign Affairs and International Co-operation (\$0.3 million), Elections Office (\$0.02 million), Judiciary (\$0.07 million), Prisons and Correction (\$0.2million), Information (\$0.04 million), Strategic Planning(\$0.07 million), Provincial Development and Disaster Management (\$0.06 million), Fiji Military Forces (\$0.4 million), Police (\$0.2 million), Health (\$1.8 million), Local Government(\$0.06 million), Primary Industries (\$0.03 million), Land and Mineral Resources (0.08 million), Industry and Trade (\$0.3 million), Public Enterprise (\$0.2 million), Works and Transport (\$2.1 million), Public Utilities and Energy (\$0.4 million) and Miscellaneous Services (\$0.4 million). The under-spending more than offsets the overspending recorded in : Labour and Industrial Relations(\$0.04million) and Education (\$0.02 million).

V. Domestic and External Loans

59. Domestic borrowings totalled \$117,370,000 in 2011. In all, there were 21 development loans, which opened and closed on the same day. All stocks were offered at par.
60. 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
		2013-2014	2015-2017	2017-2019	2018-2021	2022-2026	2021-2025	2026-2030	2035-2040	
Loan No.1	23-Feb-11	0	0	0	0	8.95				\$2,370,000
Loan No.2	16-Mar-11	0	0	0	0	8.00				\$6,100,000
Loan No.3	30-Mar-11	0	0	6.55	0	8.00				\$800,000
Loan No.4	11-May-11	0	0	0	0	7.90				\$2,000,000
Loan No.5	22-Jun-11	2.90	0	0	0	7.00				\$5,000,000
Loan No.6	27-Jul-11	2.75	0	0	0	6.72				\$4,999,360
Loan No.7	10-Aug-11	2.65	6.00	6.10	0	6.40				\$3,000,000
Loan No.8	24-Aug-11	0	5.98	5.65	0	6.00				\$6,400,650
Loan No.9	07-Sept-11	2.60	5.75	5.60	0	5.80				\$9,700,000
Loan No.10	28-Sept-11	0	0	0	0	5.80				\$4,100,000
Loan No.11	05-Oct-11	0	0	0	0	5.80				\$8,500,000
Loan No.12	12-Oct-11	0	0	0	0	5.80				\$2,000,000
Loan No.13	19-Oct-11	0	0	0	0	5.80				\$2,000,000
Loan No.14	28-Oct-11	0	0	0	0	5.80				\$4,500,000
Loan No.15	09-Nov-11	0	5.75	0	0	5.80				\$10,000,000
Loan No.16	23-Nov-10	0	0	0	0	0				-
Loan No.17	30-Nov-11	0	0	0	0	0				-
Loan No.18	7-Dec-11	0	0	0	0	6.32				\$13,504,440
Loan No.19	14-Dec-11	0	0	0	0	6.50				\$11,300,000
Loan No.20	21-Dec-11	0	0	0	0	6.64				\$11,105,436
Loan No.21	30-Dec-11	0	0	0	0	7.00				\$10,000,000

Drawdown of External Loans

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

61. Drawings in 2011 amounted to \$11,642,644 with variable interest rate;

ADB Loan No.2541 – Emergency Flood Recovery

62. Drawings in 2011 amounted to \$4,779,852 with variable interest rate;

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

63. Drawings in 2011 amounted to \$7,293,764 with variable interest rate;

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

64. Drawings in 2011 amounted to \$5,474,537 with fixed interest rate of 2%.

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

65. Drawings in 2011 amounted to \$1,144,576 with fixed interest rate of 2%.

The Export – Import Bank of Malaysia – Queens Road Rehabilitation

66. Drawings in 2011 amounted to \$22,365,739 with variable interest rate.

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

67. Drawings in 2011 amounted to \$14,411,692 with variable interest rate;

The Export –Import Bank of China – Buca & Moto Roads

68. Drawings in 2011 amounted to \$24,654,993 with fixed interest rate of 2%.

The Export –Import Bank of China – Sawani & Sigatoka Roads

69. Drawings in 2011 amounted to \$26,018,963 with fixed interest rate of 2%.

J.P. Morgan 2011 International Bond Issuance

70. Drawings in 2011 amounted to \$451,425,000 with fixed interest rate of 9%.

VI PUBLIC DEBT

(a) The raising of the following new loans:

- (i) The 2011 FDL Loan No.1 for \$2,370,000
- (ii) The 2011 FDL Loan No.2 for \$6,100,000
- (iii) The 2011 FDL Loan No.3 for \$800,000
- (iv) The 2011 FDL Loan No.4 for \$2,000,000
- (v) The 2011 FDL Loan No.5 for \$5,000,000
- (vi) The 2011 FDL Loan No.6 for \$5,000,000
- (vii) The 2011 FDL Loan No.7 for \$3,000,000
- (viii) The 2011 FDL Loan No.8 for \$6,400,000
- (ix) The 2011 FDL Loan No.9 for \$9,700,000
- (x) The 2011 FDL Loan No.10 for \$4,100,000
- (xi) The 2011 FDL Loan No.11 for \$8,500,000
- (xii) The 2011 FDL Loan No.12 for \$2,000,000
- (xiii) The 2011 FDL Loan No.13 for \$2,000,000
- (xiv) The 2011 FDL Loan No.14 for \$4,500,000
- (xv) The 2011 FDL Loan No.15 for \$10,000,000
- (xvi) The 2011 FDL Loan No.18 for \$13,500,000
- (xvii) The 2011 FDL Loan No.19 for \$11,300,000
- (xviii) The 2011 FDL Loan No.20 for \$11,100,000
- (xix) The 2011 FDL Loan No.21 for \$10,000,000
- (xx) Treasury Bills of a total par value of \$411,970,874 of which the par value of unredeemed bills at the end of 2011 was \$70,921,393 compared with an unredeemed value at the end of 2010 of \$74,969,800

- (b) The drawdown of funds in respect of previously contracted loans were as follows:
- (i) US\$8,038,247 – ADB Loan No.2055 Suva/Nausori Water Supply & Sewerage Project;
 - (ii) US\$ 4,127,682 - ADB Loan No.2603 Suva/Nausori Water Supply & Sewerage Supplementary Project;
 - (iii) US\$6,545,710 - ADB Loan No.2514 Fiji Roads Upgrading III Supplementary Project;
 - (iv) US\$2,672,617 - ADB Loan No.2541 Emergency Flood Recovery Project;
 - (v) US\$10,701,311 – EXIM Bank of Malaysia Queens Highway Rehabilitation Project;
 - (vi) CNY21,898,149 – EXIM Bank of China Fiji Low Cost Housing Project;
 - (vii) CNY4,578,305 – EXIM Bank of China Fiji Public Rental Housing Project;
 - (viii) CNY95,570,252 – EXIM Bank of China Sigatoka-Sawani Roads Project;
 - (ix) CNY90,560,254 – EXIM Bank of China Buca-Moto Roads Project;
 - (x) US\$451,425,000- 2011 International Bond Issuance

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

- (i) \$10,000,000 – 1996 Fiji Development Loan No. 3
- (ii) \$1,810,000 - 1996 Fiji Development Loan No. 5
- (iii) \$7,700,000 - 1996 Fiji Development Loan No. 6
- (iv) \$4,250,000 – 1996 Fiji Development Loan No. 7
- (v) \$4,000,000 – 1996 Fiji Development Loan No. 8
- (vi) \$6,000,000 – 1997 Fiji Development Loan No. 2
- (vii) \$650,000 – 1997 Fiji Development Loan No. 8
- (viii) \$4,000,000 – 2001 Fiji Development Loan No.1
- (ix) \$4,000,000 – 2001 Fiji Development Loan No.2
- (x) \$4,000,000- 2001 Fiji Development Loan No.3
- (xi) \$4,000,000- 2001 Fiji Development Loan No.4
- (xii) \$4,000,000- 2001 Fiji Development Loan No.5
- (xiii) \$2,000,000- 2001 Fiji Development Loan No.6
- (xiv) \$4,000,000- 2001 Fiji Development Loan No.7
- (xv) \$4,000,000- 2001 Fiji Development Loan No.8
- (xvi) \$3,000,000- 2001 Fiji Development Loan No.9
- (xvii) \$4,000,000- 2001 Fiji Development Loan No.10
- (xviii) \$4,000,000- 2001 Fiji Development Loan No.11
- (xix) \$5,000,000- 2001 Fiji Development Loan No.12
- (xx) \$4,000,000- 2004 Fiji Development Loan No.1
- (xxi) \$5,500,000- 2004 Fiji Development Loan No.2
- (xxii) \$5,000,000- 2004 Fiji Development Loan No.3
- (xxiii) \$4,000,000- 2004 Fiji Development Loan No.4
- (xxiv) \$2,000,000- 2004 Fiji Development Loan No.5
- (xxv) \$5,000,000- 2004 Fiji Development Loan No.6

- (xxvi) \$6,100,000- 2004 Fiji Development Loan No.7
- (xxvii) \$5,000,000- 2004 Fiji Development Loan No.8
- (xxviii) \$4,800,000- 2004 Fiji Development Loan No.9
- (xxix) \$4,300,000- 2004 Fiji Development Loan No.10
- (xxx) \$3,000,000- 2004 Fiji Development Loan No.11
- (xxxi) \$2,000,000- 2004 Fiji Development Loan No.12
- (xxxii) \$4,000,000- 2004 Fiji Development Loan No.13
- (xxxiii) \$5,000,000- 2004 Fiji Development Loan No.14
- (xxxiv) \$2,800,000- 2004 Fiji Development Loan No.15
- (xxxv) \$3,370,000- 2004 Fiji Development Loan No.16
- (xxxvi) \$3,000,000- 2004 Fiji Development Loan No.17
- (xxxvii) \$4,300,000- 2004 Fiji Development Loan No.18
- (xxxviii) \$2,000,000- 2004 Fiji Development Loan No.19
- (xxxix) \$4,000,000- 2004 Fiji Development Loan No.20
- (xl) \$2,000,000- 2004 Fiji Development Loan No.21
- (xli) \$4,100,000- 2004 Fiji Development Loan No.22
- (xlii) \$5,500,000- 2004 Fiji Development Loan No.23
- (xlili) \$4,000,000- 2004 Fiji Development Loan No.24
- (xliv) \$4,000,000- 2004 Fiji Development Loan No.25
- (xlv) \$1,000,000- 2006 Fiji Development Loan No.1
- (xlvi) \$3,000,000- 2006 Fiji Development Loan No.3
- (xlvii) \$100,000- 2006 Fiji Development Loan No.7
- (xlviii) \$5,000,000- 2006 Fiji Development Loan No.9
- (xlix) \$5,000,000- 2006 Fiji Development Loan No.11
- (l) \$2,000,000- 2008 Fiji Development Loan No.1
- (li) \$1,100,000- 2008 Fiji Development Loan No.2
- (lii) \$10,000,000- 2008 Fiji Development Loan No.3
- (liii) \$5,000,000- 2008 Fiji Development Loan No.9
- (liv) \$2,000,000- 2008 Fiji Development Loan No.15
- (lv) EUR 235,800 – 1979 EEC Loan No.80046 Outer Island Airstrips
- (lvi) JPY158,307,200– 1988 ADB Loan No.912 Road Sector Maintenance Project
- (lvii) EUR 2,046,194– 1990 EEC Loan No.80309 Rural Electrification Programme
- (lviii) JPY117,870,000– 1993 ADB Loan No.1164 Fiji Road Upgrading Project II
- (lix) JPY47,074,000 – 1993 JBIC Exim Loan Fiji Road Upgrading Project II
- (lx) US\$1,552,520 - 1998 ADB No.1530 Fiji Road Upgrading Project III Loan
- (lxi) EUR1,349,890– 1998 EIB Loan No.8033 Investment and Export Development Project
- (lxii) JPY121,398,000- 1998 JBIC Nadi/Lautoka Regional Water Supply
- (lxiii) US\$821,199 – 1997 ADB Loan No.2055 Suva Nausori Water Supply
- (lxiv) US\$154,709 – 2010 ADB Loan No. 2514 FRUP III
- (lxv) CNY 5,322,581 – 2006 EXIM Bank of China E-Government Loan
- (lxvi) US\$150,000,000- 2006 Global Bond

VII CONCLUSION

Finally, on behalf of the Minister for Finance, we would like to express our appreciation to all Heads of Department and staff who contributed to the preparation and finalisation of this report.

A handwritten signature in black ink, appearing to be 'David Kolitagane', written over a vertical line that extends downwards.

David Kolitagane
Acting Permanent Secretary for Finance



WHOLE OF GOVERNMENT

FINANCIAL STATEMENTS, ANNUAL APPROPRIATION STATEMENT AND ANNUAL BUDGET STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

Schedules	Contents	Page Numbers
<i>A. Whole of Government Financial Statements</i>		
Schedule 1	Statement of Assets and Liabilities	1
Schedule 2	Consolidated Fund Statement of Receipts and Payments	2
Schedule 3(i)	Trust Fund Statement of Receipts and Payments	3
Schedule 3(ii)	Sinking Fund Statement of Receipts and Payments	4
Schedule 4	Notes to and Forming Part of the Financial Statements	5-14
Schedule 5	Statements of Contingent Liabilities of Government	15-16
<i>B. Annual Appropriation Statement</i>		
Schedule 6	Budget Result	17
Schedule 7	Summary of Revenue	18
Schedule 8	Detailed Revenue Comparisons	19-22
Schedule 9	Statement of Expenditure against Appropriation Heads	23-24
Schedule 10	Details of Expenditure Reportable Authorisations	25
<i>C. Annual Budget Statement</i>		
Schedule 11	Budget Result, Estimate and Projections	26
Schedule 12	Disaggregation of Actual Revenue and Expenditure by Economic Type	27
Schedule 13	Estimate and Actual Budget Result (2008 – 2010)	28

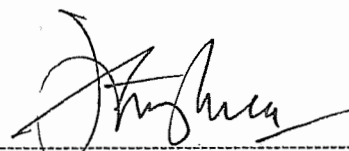
**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF ASSETS & LIABILITIES
AS AT 31 DECEMBER 2011**

Schedule 1

	Notes	31 December 2011 \$	31 December 2010 \$
CURRENT ASSETS			
Cash at Bank	2	250,876,080	185,443,615
Investments	3	438,907,122	438,862,904
TOTAL ASSETS		<u>689,783,202</u>	<u>624,306,519</u>
CURRENT LIABILITIES			
Trust Fund Account	4	56,916,930	56,292,229
Sinking Fund Account	4(i)	---	68,659,964
TOTAL LIABILITIES		<u>56,916,930</u>	<u>124,952,193</u>
NET ASSETS		<u>632,866,272</u>	<u>499,354,326</u>
CONSOLIDATED FUND	refer Schedule 2	<u>632,866,272</u>	<u>499,354,326</u>

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

Ministry of Finance
Suva, Fiji
12 September 2012


Filimone Waqabaca
Permanent Secretary for Finance

**GOVERNMENT OF THE REPUBLIC OF FIJI
CONSOLIDATED FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Schedule 2

	Notes	31 December 2011 \$	31 December 2010 \$
RECEIPTS			
Operating Revenue	5	1,181,589,288	1,021,121,982
Value Added Tax	6	618,859,015	494,895,149
Borrowings	7	650,513,643	462,965,102
Treasury Bills Raised	8	411,970,874	687,313,133
Ways & Means	9	21,500,000	306,500,000
Receipts from Debtors	10	3,494,913	27,741,224
Capital Gain	11	44,219	---
Revolving Fund Account Net Receipts	12	37,097,729	1,509,755
TOTAL RECEIPTS		<u>2,925,069,681</u>	<u>3,002,046,345</u>
PAYMENTS			
Operating Expenditure	13	1,094,016,732	1,056,348,375
Capital Expenditure	14	494,534,923	339,654,347
Value Added Tax	15	43,978,964	48,735,276
Repayment of Loans	16	770,221,897	455,343,659
Redemption of Treasury Bills	8	416,019,281	710,064,626
Ways & Means	9	21,500,000	306,500,000
Loans made to Debtors	17	139,063	4,980,100
Capital Loss	11	---	3,097,602
TOTAL PAYMENTS		<u>2,840,410,860</u>	<u>2,924,723,985</u>
Surplus for the year		84,658,821	77,322,360
Correction of Fundamental Errors	18(a)	48,853,125	9,568,683
Balance as at 1 January		499,354,326	412,463,283
Balance as at 31 December	refer Schedule 1	<u>632,866,272</u>	<u>499,354,326</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
TRUST FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Schedule 3(i)

	Notes	31 December 2011 \$	31 December 2010 \$
RECEIPTS			
Trust Fund Receipts		276,621,059	281,736,018
TOTAL RECEIPTS		<u>276,621,059</u>	<u>281,736,018</u>
PAYMENTS			
Trust Fund Payments		275,996,358	280,778,713
TOTAL PAYMENTS		<u>275,996,358</u>	<u>280,778,713</u>
Surplus/(Deficit) for the year		624,701	957,305
Balance as at 1 January		56,292,229	55,349,705
LESS: Error in Opening Balance		---	(14,781)
Balance as at 31 December	4	<u>56,916,930</u>	<u>56,292,229</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
SINKING FUND
STATEMENT OF RECEIPTS & PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Schedule 3(ii)

	Notes	31 December 2011 \$	31 December 2010 \$
RECEIPTS			
Sinking Fund Receipts		---	---
TOTAL RECEIPTS		---	---
PAYMENTS			
Sinking Fund Payments		68,659,964	---
TOTAL PAYMENTS		68,659,964	---
(Deficit)/Surplus for the year		(68,659,964)	---
Balance as at 1 January		68,659,964	68,659,964
Balance as at 31 December	4(i)	---	68,659,964

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

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.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

31 December 2011 \$	31 December 2010 \$
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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	84,998,728	82,425,719
Overseas Agencies	161,923,910	106,409,431
Trading and Manufacturing Account	16,840,996	14,133,097
Cash Balance in Departmental Trust	37,383,558	31,245,508
Less: Unpresented Cheques	(50,271,112)	(48,770,140)
Net Cash	250,876,080	185,443,615

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
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3. INVESTMENTS

Section 55 of the Financial Management Act 2004 provides the authority for the investment of Government moneys through fixed deposit with any bank, in any securities in which trustees are authorised to invest under the Trustee Act, in any security issued by any statutory body in Fiji and as advances authorised by Finance Act and any other Act or by resolution of the House of Representatives.

Investments as at year end were as follows:

Investment Category

Fully Commercial Co. (Profitable)	346,882,245	346,838,026
Fully Commercial Co. (Non-Profitable)	76,131,698	76,131,698
Semi-Commercial (Agro based)	9,412,970	9,412,970
Dormant Companies	2,000,000	2,000,000
Companies in Liquidation	4,480,210	4,480,210
Total Investments	438,907,123	438,862,904

4. TRUST FUND ACCOUNT

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

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

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

Category

Trust Funds	41,100,092	34,766,530
Trust Funds/Payroll Deductions	25,540,469	30,609,680
Less: Overdrawn Accounts	(9,723,631)	(9,083,981)
Total Trust Fund Account	56,916,930	56,292,229

4(i). SINKING FUND ACCOUNT

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

Category

Opening Balance	68,659,964	68,659,964
Transfers to Government	(68,659,964)	---
Dividend on Investment	---	---
Foreign Exchange Gain or Appreciation	---	---
Closing Balance on RBF Sinking Fund	---	---
Total Sinking Fund Account	---	68,659,964

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
5. OPERATING REVENUE		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	478,807,318	425,983,347
Indirect Taxes	476,000,690	381,252,082
Fees, Fines & Charges	117,513,458	138,863,131
Operating Revenue - Sales	---	45,407
Operating Revenue - TMA	---	(5)
Other Receipts	56,164,477	25,435,733
Reimbursements & Recoveries	16,628,657	(11,815,163)
Grant Aid	6,774,771	8,886,821
Dividends from Investments	10,631,807	12,726,623
Repayments of Term Loans Receivable	60	175
Gain in Exchange Rate	---	---
Interest from Bank Balances	18,867,134	39,728,048
Sales of Government Assets	200,916	---
Return of Surplus Capital from Investment	---	15,783
Total Operating Revenue	<u>1,181,589,288</u>	<u>1,021,121,982</u>
Income tax and Value Added Tax Refunds of \$224 million are expenditures of Government which have been off-setted against Direct taxes		
6. VALUE ADDED TAX RECEIPTS	<u>618,859,015</u>	<u>494,895,149</u>
These are the VAT revenue collected by the Fiji Revenue & Customs Authority during the year.		
7. BORROWINGS		
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>81,470,524</u>	<u>452,734,100</u>
	<u>81,470,524</u>	<u>452,734,100</u>
<i>Overseas Loans</i>		
ADB Loan No.2541 Emergency Flood Recovery	4,721,873	---
ADB Loan No.2514 3RD Road Upgrading Supplementary	11,258,429	6,194,074
EXIM Bank of China Fiji Low Cost Housing	5,474,537	---
EXIM Bank of China Fiji Public Rental Housing	1,144,576	---
BR-2011 EXIM China RDS Sigatoka/Serea	26,018,963	---
BR-2011 EXIM China RDS Buca/Moto	24,654,993	---
Suva Nausori Water Supply 2055-FJ	21,098,810	4,036,928
BR 2011 International Bond Issuance	452,305,199	---
EXIM Bank Malaysia - Queens Highway Rehabilitation	22,365,739	---
Total Overseas Borrowings	<u>569,043,119</u>	<u>10,231,002</u>
TOTAL BORROWINGS	<u>650,513,643</u>	<u>462,965,102</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
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
Fiji Road Upgrading Project Stage III	---	3,991,269
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
Total Direct Disbursement and Non-Cash Borrowing	---	24,326,851

8. TREASURY BILLS

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

Treasury Bills Issues during the year	<u>411,970,874</u>	<u>687,313,133</u>
Treasury Bills Redemptions during the year	<u>416,019,281</u>	<u>710,064,626</u>

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>21,500,000</u>	<u>306,500,000</u>
Ways and Means Repayments	<u>21,500,000</u>	<u>306,500,000</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

31 December 2011 \$	31 December 2010 \$
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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	245	1,113
Consumer Co-operative Societies	102,066	202,657
Copra Industry for Stabilisation of Earnings	601,119	262,607
Tertiary Education	1,077,400	2,905,041
Private Students	7,670	2,030
Advances to Ministers and Members of Parliament	4,950	6,100
Students Loan Scheme	883,732	3,863,501
Viti Corp Limited	---	258,000
Fiji Sugar Corporation (1998)	---	20,000,000
Fiji Sugar Corporation (1999)	---	100,000
Loan 5 DIGS	817,671	---
FAB (98 FAB Loan)	---	140,000
	<u>3,494,853</u>	<u>27,741,049</u>
Interest	60	175
Total Receipts from Debtors	<u>3,494,913</u>	<u>27,741,224</u>

11. CAPITAL GAIN/LOSS

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

Capital (Loss) Gain	<u>44,219</u>	<u>(3,097,602)</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 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
12. REVOLVING FUND ACCOUNT		
Ministries/Departments operating Revolving Fund Accounts have to operate within a ceiling set by the Minister. The limit for the Revolving Fund Accounts in 2011 was \$16,942,000.		
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	118,233	115,003
Revolving Fund Account - Other Admin	5,613	3,818
Revolving Fund Account - Miscellaneous	1,048,379,856	292,574,356
Revolving Fund Account - Inter-Departmental Clearance	1,944,908,013	1,831,611,284
Revolving Fund Account - TMA:		
Fiji Maritime Safety Administration	59,926	8,790
Fiji Military Forces	755,671	230,660
Government Printing & Stationery Department	1,278,841	1,234,404
Fiji Procurement Office	999,614	2,208,059
Ministry of Agriculture & Land Resettlement	1,028,127	1,212,854
Ministry of Fisheries and Forests	90,295	147,858
Ministry of Health	591,886	676,414
Prison Farm	631,881	324,793
Public Services Commission	3,185,362	---
Ministry of Trade & Commerce	3,082	23,301
Public Works and Infrastructure	18,888,137	20,322,893
Total	3,020,924,537	2,150,694,487
b) <i>Revolving Fund Payments:</i>		
Revolving Fund Account - Imprests	118,233	114,843
Revolving Fund Account - Other Admin	45,570	49,860
Revolving Fund Account - Miscellaneous	1,010,516,693	286,430,604
Revolving Fund Account - Inter-Departmental Clearance	1,944,931,739	1,831,611,284
Revolving Fund Account - TMA:		
Fiji Maritime Safety Administration	32	4,560
Fiji Military Forces	778,553	297,332
Government Printing & Stationery Department	1,313,948	1,983,796
Fiji Procurement Office	292,100	2,279,416
Ministry of Agriculture & Land Resettlement	1,981,319	1,334,626
Ministry of Fisheries and Forests	241,063	178,799
Ministry of Health	361,349	707,151
Prison Farm	661,007	186,725
Public Service Commission	1,497,967	---
Ministry of Trade & Commerce	46,307	149
Public Works and Infrastructure	21,040,928	24,005,587
Total	2,983,826,808	2,149,184,732
Revolving Fund Account Net (Payments)/Receipts	37,097,729	1,509,755

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
13. OPERATING EXPENDITURE		
The operating expenditure of Government includes the following:		
Established Staff	523,150,312	516,827,808
Unestablished Staff	46,112,566	47,273,958
Travel and Communications	20,544,449	18,020,653
Maintenance and Operations	72,408,570	67,717,865
Purchase of Goods and Services	67,059,866	58,308,043
Operating Grants and Transfers	292,301,884	263,155,225
Special Expenditures	39,064,782	51,906,271
Pensions, Gratuities and Compassionate Allowances	33,374,303	33,138,552
Total Operating Expenditure	<u>1,094,016,732</u>	<u>1,056,348,375</u>
14. CAPITAL EXPENDITURE		
Capital Expenditures of Government includes capital constructions works; purchases of property, plant and equipment and capital grants & transfer payments.		
Capital Construction	181,887,913	143,323,665
Capital Purchase	20,512,530	19,640,531
Capital Grants and Transfers	292,134,480	176,690,151
Total Capital Expenditures	<u>494,534,923</u>	<u>339,654,347</u>
15. VALUE ADDED TAX EXPENDITURE	<u>43,978,964</u>	<u>48,735,276</u>
These are the VAT payments made by Ministries/Departments to the the Fiji Revenue & Customs Authority during the year.		
16. REPAYMENTS OF LOANS		
Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans and principal repayments on these loans.		
<i>Interest Payments:</i>		
Overseas Loans	43,104,766	22,901,709
Domestic Loans	213,248,464	190,736,707
Treasury Bills	2,081,244	4,295,960
<i>Total Interest Paid</i>	<u>258,434,474</u>	<u>217,934,376</u>
<i>Principal Repayments:</i>		
Overseas Loans	291,113,603	32,850,575
Domestic Loans	213,380,000	198,540,500
<i>Total Principal Repayments</i>	<u>504,493,603</u>	<u>231,391,075</u>
Others	7,293,820	6,018,208
Total Charges on Account of Public Debt	<u>770,221,897</u>	<u>455,343,659</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
17. NEW AND ADDITIONAL LOANS		
Additional loans and new loans that were provided in 2011 from recurrent loan provisions include the following:		
Advances to Public Officers	1,259	3,010
Consumer Co-operative Societies	---	202,132
Copra Industry for Stabilisation of Earnings	---	17,983
Tertiary Education	---	2,189,544
Advances to Ministers and Members of Parliament	---	---
Loan 5 DIGS	137,804	---
Students Loan Scheme	---	2,567,431
Private Students	---	---
Total Loans Given	139,063	4,980,100

18. ADJUSTMENTS

a) <i>Correction of Fundamental Errors</i>	<u>48,853,125</u>	<u>9,568,683</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 31/12/11 are as follows:

Domestic Loans	2,627,382,174	2,759,292,150
Treasury Bills	70,921,393	74,969,800
Overseas Loans	832,147,793	548,461,798
Total Government Debt	3,530,451,360	3,382,723,748

The above includes other loans shown below as at 31/12/11

Overseas Loans - 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 2011

Schedule 4

	31 December 2011 \$	31 December 2010 \$
20. ARREARS OF REVENUE		
Arrears of revenue for the government comprises of unpaid taxes by individuals and businesses as well as revenue owed to Ministries and Departments in the form of fees, fines, licences and charges.		
The Arrears of Revenue position of Government as at 31/12/11 are as follows:		
Agriculture	3,979,609	3,995,810
Auditor-General	274,404	427,442
Communications	1,299,929	5,007,611
Co-operatives	---	11,313
Education, Youth & Sports	16,144	18,534
Elections Office	21,091	---
Fiji Islands Maritime Safety Administration	---	47,120
Fiji Revenue & Customs Authority..-Customs	8,331,984	11,530,304
Fiji Revenue & Customs Authority..- Inland Revenue Services	136,069,034	132,520,763
Fiji Procurement Office\	113,548	121,729
Finance(Surcharge)	769,822	469,396
Finance(Pension Office)	2,651	---
Fisheries & Forests	11,078	13,457
Government Printing and Stationery Department	113,192	153,703
Health	427,160	126,196
Immigration	17,994	10,928
Information Technology & Computing Services	1,014	2,500
Judicial	11,397,061	10,970,177
Labour and Industrial Relation	49,924	19,339
Lands	19,561,844	17,970,765
Loans: Rewa Rice Ltd	---	225,382
Meteorological Services	---	4,565,162
Overseas Peace Keeping Missions (MFO)	---	3,368,626
Police	1,993	14,600
Prisons	379	1,349
Public Utilities	---	34,843,653
Provincial Development & Multi -Ethnic Affairs	499,358	507,899
Solicitor General's Office	3,738	---
	182,962,951	226,943,758

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
AS AT 31 DECEMBER 2011

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2011	Liability as at 31/12/2011
			\$	\$
SECTION A -				
Fiji Development Bank	Guarantee of Loans Raised	Approval of House of Representatives 22/02/02; 20/02/03; 30/11/04; 28/11/05; 28/11/06; IGCP 15/01/08; IGCP 02/12/08; CP(10)13 19/01/10.....	257,270,761	257,270,761
Fiji Electricity Authority	Guarantee of Loans Raised	Approval of House of Representatives Loan Guarantee Decree 1991; IGCP6/02/2001; 16/10/03; 18/08/05; IGCP26/2/08; IGCP 28/07/08;	551,000,000	353,969,398
Fiji Hardwood Corporation	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	16,646,933
Fiji National Provident Fund	Guarantee of Contributors	Act No. 19 of 1966 Section 9; CP(09)325 18/12/09.....	1,013,520,093	1,013,520,093
Fiji Pine Limited	Guarantee of Loans Raised	Approval of House of Representatives dated 06/12/1994;	15,700,000	13,721,244
Fiji Sugar Corporation	Guarantee of Loans Raised	Approval of House of Representatives 03/03/99, 07/12/01; 25/03/03; 01/04/04; 20/09/04; 17/02/05; 10/8/06;IGCP20/05/08;	316,000,000	116,408,666
Housing Authority	Guarantee of Loans Raised	Approval of House of Representatives 24/10/02; 27/08/03; 29/11/05; 21/10/08.....	292,000,000	82,592,964
Fiji Sports Council	Guarantee of Loans Raised	Approval of House of Representatives 19/05/06	2,900,000	926,725
Fiji Ports Corporation Limited	Guarantee of Loans Raised	Approval of House of Representatives 17/09/79; Decree No. 22 of 04/08/89; Decree No. 41 of 14/10/91; 23/05/02	48,066,175	39,948,812
Fiji Broadcasting Corporation Limited	Guarantee of Loans Raised	Approval of Cabinet; 14/7/2009...	21,594,693	19,897,802
National Bank of Fiji	Guarantee of Depositors	Act No. 14 of 1996.....	2,540,459	2,540,459

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CONTINGENT LIABILITIES OF GOVERNMENT
AS AT 31 DECEMBER 2011

Schedule 5

Name	Liability	Authority	Total Government Guarantee as at 31/12/2011	Liability as at 31/12/2011
			\$	\$
Pacific Fishing Company Limited	Guarantee of Standby Credit Facility	Approval of House of Representatives 02/01/97, 31/08/00	4,109,700	5,387,361
Public Rental Board	Guarantee of Loans Raised	Decree No. 8 of 20/03/90, Decree No. 9 of 20/03/90; House of Representatives 02/12/02	17,000,000	520,556
		Section A Total.....	2,556,601,881	1,923,351,774
SECTION B-				
International Agencies-Asian Development Bank	Subscription for Membership	Resolutions of Legislative Council 24/3/70; Act No. 34 of 1974.....	32,470,323	---
International Bank for Reconstruction & Development	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	30,099,428	7,937,026
International Development Association	Subscription for Membership	Approval of House of Representatives 30/3/71; Act No. 21 of 1971.....	507,091	507,091
		Section B Total.....	63,076,842	8,444,117

SUMMARY -

Section A	2,556,601,881	1,923,351,774
Section B	63,076,842	8,444,117
Total	2,619,678,723	1,931,795,891

**GOVERNMENT OF THE REPUBLIC OF FIJI
BUDGET RESULT
FOR THE YEAR ENDED 31 DECEMBER 2011**

Schedule 6

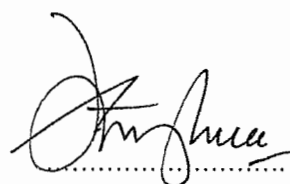
	Estimate 2011 \$	Actual 2011 \$	Increase / (Decrease) \$
REVENUE			
Operating Revenue	1,667,797,412	1,771,566,057	103,768,645
Investing Revenue	79,675,200	29,699,917	(49,975,283)
Public Debt - New Borrowings	734,801,500	650,513,643	(84,287,857)
TOTAL REVENUE	<u>2,482,274,112</u>	<u>2,451,779,617</u>	<u>(30,494,495)</u>
EXPENDITURE			
Operating Expenditure	1,114,295,606	1,094,016,732	(20,278,874)
Capital Expenditure	516,847,897	494,534,924	(22,312,973)
Value Added Tax	51,741,771	43,978,964	(7,762,807)
Public Debt Repayments	797,586,900	770,221,897	(27,365,003)
TOTAL EXPENDITURE	<u>2,480,472,174</u>	<u>2,402,752,517</u>	<u>(77,719,657)</u>
BUDGET RESULT	<u>1,801,938</u>	<u>49,027,100</u>	<u>47,225,162</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 September 2012



Filimone Waqabaca
Permanent Secretary for Finance

GOVERNMENT OF THE REPUBLIC OF FIJI
SUMMARY OF REVENUE
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 7

Head of Revenue	Estimate	Actual Revenue 2011	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 Direct Taxes.....	454,520,000	478,807,318	24,287,318	---
22 Indirect Taxes.....	1,044,200,712	1,094,859,705	50,658,993	---
23 Fees, Fines & Charges.....	111,009,200	117,513,458	6,504,258	---
24 Operating Revenue Sales.....	40,100	---	---	40,100
26 Operating Revenue - Trading & Manufacturing Account....	---	---	---	---
27 Other Receipts.....	34,961,900	56,164,477	21,202,577	---
28 Reimbursements & Recoveries.....	14,743,300	17,446,328	2,703,028	---
29 Grant Aid.....	8,322,200	6,774,771	---	1,547,429
Operating Revenue Total.....	1,667,797,412	1,771,566,057	105,356,174	1,587,529
INVESTING REVENUE				
31 Repayments of Term Loans Receivable.....	---	60	60	---
32 Sale of Government Assets	40,174,600	200,916	---	39,973,684
33 Dividends from Investments.....	30,149,700	10,631,807	---	19,517,893
34 Interest from Bank Balances.....	8,835,100	18,867,134	10,032,034	---
35 Return of Surplus Capital from Investment.....	15,800	---	---	15,800
38 Gain in Exchange Rate.....	500,000	---	---	500,000
Investing Revenue Total.....	79,675,200	29,699,917	10,032,094	60,007,377
LOAN PROCEEDS				
15. Overseas Loans.....	603,000,000	569,043,119	---	33,956,881
16. Domestic Loans.....	131,801,500	81,470,524	---	50,330,976
Loans Revenue Total.....	734,801,500	650,513,643	---	84,287,857
Investing/Loans Revenue Total.....	814,476,700	680,213,560	10,032,094	144,295,234
Total Revenue.....	2,482,274,112	2,451,779,617	115,388,268	145,882,763

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISONS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2011	Increase	Decrease
	\$	\$	\$	\$
OPERATING REVENUE				
21 - DIRECT TAXES				
1. Income Tax				
01. Income Tax.....	449,520,000	475,552,406	26,032,406	---
02. Capital Gains Tax.....	5,000,000	3,254,912	---	1,745,088
Total.....	454,520,000.00	478,807,318	26,032,406	1,745,088
Net Increase.....			24,287,318	---
22 - INDIRECT TAXES				
1. Value Added Tax				
01. Value Added Tax.....	584,281,400	618,859,015	34,577,615	---
2. Fiscal Duty				
01. Fiscal Duty.....	236,269,781	237,083,384	813,603	---
3. Excise Dues				
01. Excise Dues.....	85,583,532	76,092,319	---	9,491,213
4. Export Duty				
01. Export Duty.....	5,559,000	7,455,645	1,896,645	---
5. Import Duty				
01. Import Duty.....	24,372,231	22,803,106	---	1,569,125
6. Hotel Turnover Tax				
01. Hotel Turnover Tax.....	27,762,500	36,285,368	8,522,868	---
7. Water Resource Tax				
01. Water Resource Tax.....	22,554,700	34,714,524	12,159,824	---
8. Departure Tax				
01. Departure Tax.....	51,000,000	61,288,625	10,288,625	---
10. Fish Levy				
01. Fish Levy.....	1,800,000	1,034,711	---	765,289
13. Luxury Vehicle Tax				
01. Luxury Vehicle Tax.....	---	95,000	95,000	---
99. Miscellaneous Fees and Receipts				
01. Miscellaneous Fees and Receipts.....	5,017,568	(851,992)	---	5,869,560
Total.....	1,044,200,712	1,094,859,705	68,354,180	17,695,187
Net Increase.....			50,658,993	---
23 - FEES, FINES & CHARGES				
01. Dues				
01. Light Due - Port & Harbour.....	427,700	---	---	427,700
02. Duty				
01. Stamp Duty.....	22,393,200	17,557,007	---	4,836,193
03. Fees				
01. Agricultural Produce and Inspection.....	922,600	165,782	---	756,818
02. Native Timber Measurement.....	446,500	823,110	376,610	---
03. Land and Survey Fees.....	229,100	506,309	277,209	---
04. Mining Fees.....	233,700	223,110	---	10,590
06. Passports.....	8,550,100	8,674,402	124,302	---
07. Town Planning Fees.....	84,000	102,930	18,930	---
08. Examination Fees.....	13,400	18,206	4,806	---
09. Government Day Schools-Fees.....	22,500	8,388	---	14,112
10. Government Boarding Schools-Fees.....	443,000	454,918	11,918	---
11. Health Fumigation and Quarantine.....	173,900	1,564,660	1,390,760	---
12. Hospital.....	770,200	1,743,678	973,478	---
13. Fiji School of Nursing.....	489,100	299,143	---	189,957
14. Cemetery Fees.....	43,400	42,239	---	1,161
15. Air Licensing Fees.....	8,200	---	---	8,200
17. Audit Fees.....	705,200	237,521	---	467,679
18. Court Fees.....	1,285,100	1,272,820	---	12,280
19. Registration.....	2,849,200	1,137,422	---	1,711,778
20. Management Fee.....	58,500	170,435	111,935	---
21. LTA Fees and Fines.....	28,964,400	22,581,109	---	6,383,291
22. Levy on Unloading of Fish Stocks.....	1,800,000	---	---	1,800,000
23. LTA Road User Levy.....	---	20,898,452	20,898,452	---
75. Domestic Air Services License.....	3,000,000	5,400	---	2,994,600
99. Miscellaneous Fees.....	1,728,500	3,497,980	1,769,480	---
04. Licenses				
01. Arms.....	170,900	61,838	---	109,062

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISONS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2011	Increase	Decrease
	\$	\$	\$	\$
03. Coasting.....	13,400	---	---	13,400
05. Liquor.....	966,400	487,430	---	478,970
06. Trading.....	196,000	283,384	87,384	---
07. Dogs.....	7,600	17,492	9,892	---
09. Money Lenders.....	30,000	74,604	44,604	---
10. Hotels and Guest Houses.....	159,600	111,064	0	48,536
12. Telecommunications and Television.....	6,211,300	2,686,095	0	3,525,205
13. Mining.....	---	3,450,000	3,450,000	---
14. Fishing.....	244,100	293,950	49,850	---
99. Other.....	62,200	906,328	844,128	---
05. Rates - Public Works				
01. Water & Sewerage Rates and Charges.....	21,511,200	24,756,057	3,244,857	---
06. Fees Royalties				
01. Royalties Timber	---	3,548	3,548	---
03. Royalties - Sand, Coral, Metal, etc.....	10,800	57,204	46,404	---
07. Fines				
01. Court Fines.....	5,769,900	2,334,059	---	3,435,841
08. Administrative Fines and Penalty				
01. Overdue, lost & damaged library books.....	1,500	2,992	1,492	---
02. Administrative Fines and Forfeitures.....	12,800	2,392	---	10,408
Total.....	111,009,200	117,513,458	33,740,039	27,235,781
Net Increase.....			6,504,258	---
24 - OPERATING REVENUE - SALES				
01. Sales of Government Department.....	40,100	---	---	40,100
Total.....	40,100	---	---	40,100
Net Increase.....			---	40,100
27 - OTHER REVENUE AND SURPLUSES				
01. Surplus/Deficit from Agency				
01. RBF Revaluation Reserve Account.....	15,000,000	17,391,255	2,391,255	---
02. Rent and Hire of Government Property				
01. Rental for Land.....	11,265,900	12,335,108	1,069,208	---
02. Rental for Official Quarters.....	1,601,400	295,238	---	1,306,162
03. Rental for Building.....	29,600	1,422	---	28,178
04. Hire of Plant and Vehicles.....	32,300	22,664	---	9,636
05. Hire of Vessels and Punts.....	1,800	---	---	1,800
06. Revenue from Rest Houses.....	4,900	4,394	---	506
07. Crown Schedule 'A' Land Rents.....	100	50	---	50
08. Rental - Official Quarters - Manual.....	---	10	10	---
03. Commission Revenue				
01. Commission.....	909,600	1,224,433	314,833	---
99. Other Revenue				
01. Sale of Photographs.....	4,000	---	---	4,000
02. Sales of Publications.....	188,100	135,125	---	52,975
03. Revenue from Production of Films.....	2,800	2,639	---	161
04. Survey & Sales of Navigation Publications.....	376,200	5,721	---	370,479
05. Meat Inspection.....	25,300	19,877	---	5,423
06. Veterinary and Animal Quarantine.....	28,600	12,359	---	16,241
07. Freight and Charter Receipts.....	33,800	108,428	74,628	---
08. Chemical Analysis.....	700	804	104	---
09. Valuation Fees.....	13,500	122,093	108,593	---
10. Produce-Agricultural Experimental Stations.....	54,600	36,996	---	17,604
11. Sale of Surplus Farm Produce.....	45,600	56,688	11,088	---
12. Agricultural Commercial Undertakings.....	2,400	522	---	1,878
13. Sale of Fish and Ice.....	205,400	236,773	31,373	---
14. Sale of Sheep and Wool.....	35,400	39,942	4,542	---
15. Irrigation Commercial Undertakings.....	---	---	---	---
17. Agricultural Landlord and Tenant Tribunal.....	3,200	3,567	367	---
20. Board Members Fees	77,000	150,295	73,295	---
99. Other Revenue.....	5,019,700	23,958,074	18,938,374	---
Total.....	34,961,900	56,164,477	23,017,670	1,815,093
Net Decrease.....			21,202,577	---

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISONS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2011	Increase	Decrease
	\$	\$	\$	\$
28 - REIMBURSEMENT AND RECOVERIES				
11. Reimbursement of Services				
01. Reimbursement for Meteorological Services.....	552,800	600,686	47,886	---
03. Reimbursement of Debt Servicing.....	1,200,000	---	---	1,200,000
12. Refund of Payments				
01. Training & Productivity Authority of Fiji.....	273,600	8,069	---	265,531
02. Fiji National Provident Fund.....	---	104	104	---
03. Recoveries of Overpayments in Previous Years.....	716,700	2,281,372	1,564,672	---
22. Contributions for Capital Projects				
02. Rural Electrifications.....	200	1,402	1,202	---
23. Contributions for Overseas Peace-Keeping				
02. Multinational Force and Observers.....	6,000,000	14,554,695	8,554,695	---
03. UN International Peacekeeping IRAQ.....	6,000,000	---	---	6,000,000
Total.....	14,743,300	17,446,328	10,168,559	7,465,531
Net Decrease.....			2,703,028	---
29 - GRANTS IN AID				
01. Australian Government Grants.....	95,700	---	---	95,700
02. New Zealand Bilateral Aid Programme.....	---	---	---	---
03. United Nations Development Programme.....	2,600,600	---	---	2,600,600
99. Other Grant Aid.....	5,625,900	6,774,771	1,148,871	---
Total.....	8,322,200	6,774,771	1,148,871	2,696,300
Net Decrease.....			---	1,547,429
Total Operating Revenue.....	1,667,797,412.00	1,771,566,057.00	162,461,725.00	58,693,080.00
INVESTING REVENUE				
31 - REPAYMENTS OF TERM LOANS RECEIVABLE				
11. Interest for Social Services Term Loans				
01. Interest Loans to Public Officers	---	60	60	---
21. Interest for Economic Services Term Loans				
01. Interest- Loans to Consumer Co-operatives	---	---	---	---
Total.....	---	60	60	---
Net Decrease.....			60	---
32 - SALES OF GOVERNMENT ASSETS				
21. Sales proceeds in Economic Services....	31,600,000	---	---	31,600,000
31. Sales proceeds in Infrastructure services....	4,311,600	200,916	---	4,110,684
41. Sales proceeds in TMA Operations	4,263,000	---	---	4,263,000
Total.....	40,174,600	200,916	---	39,973,684
Net Increase.....			---	39,973,684
33 - DIVIDENDS FROM INVESTMENTS				
01. Investments in Social Services.....	---	754,471	754,471	---
02. Investments in Economic Services.....	20,135,000	2,920,930	---	17,214,070
03. Investments in Infrastructure Services.....	10,014,700	6,956,406	---	3,058,294
Total.....	30,149,700	10,631,807	754,471	20,272,364
Net Decrease.....				19,517,893
34 - INTEREST FROM BANK BALANCES				
01. Interest from Overseas Bank	---	---	---	---
02. Interest from Local Banks.....	8,835,100	18,694,542	9,859,442	---
03. Interest from T/D with Local Banks	---	172,592	172,592	---
Total.....	8,835,100	18,867,134	10,032,034	---
Net Increase.....			10,032,034	---
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS				
74. Return of Surplus Capital from TMA Operations.....	15,800	---	---	15,800
Total.....	15,800	---	---	15,800
Net Decrease.....			---	15,800
38 - GAIN IN EXCHANGE RATE				
02. JP Morgan Investment	500,000	---	---	500,000

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISONS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 8

Heads and Subheads of Revenue	Estimate	Actual Revenue 2011	Increase	Decrease
	\$	\$	\$	\$
Total.....	500,000	---	---	500,000
Net Increase.....				500,000
Total Investing Revenue.....	79,675,200	29,699,917	10,786,565	60,761,848
41 - OVERSEAS LOANS				
1. International Development Bank Loans				
01. ADB Loan No. 1530 Fiji Road Upgrading Project (FRUP III).....	8,000,000	---	---	8,000,000
02. ADB Loan Suva/Nausori Water Supply.....	---	21,098,810	21,098,810	---
03. ADB Loan No. 2541 Flood Recovery.....	---	4,721,873	4,721,873	---
05. ADB Loan No. 2514 Supplementary FRUP III....	10,000,000	---	---	10,000,000
06. Malaysia Exim - Roads Rehabilitation....	22,000,000	11,258,429	---	10,741,571
07. China Exim - E-Government Project....	10,000,000	5,474,537	---	4,525,463
07. EXIM China Low Cost Housing Project.....	6,000,000	1,144,576	---	4,855,424
09. EXIM Malaysia Roads Rehabilitation Project.....	30,000,000	22,365,739	---	7,634,261
10. EXIM China Roads Improvement Sgtka/Serea.....	8,000,000	26,018,963	18,018,963	---
11. EXIM China Roads Improvement Project Buca/Moto....	9,000,000	24,654,993	15,654,993	---
2. Other Overseas Loans				
01. International Bond Market.....	500,000,000	452,305,199	---	47,694,801
Total.....	603,000,000	569,043,119	59,494,639	93,451,520
Net Decrease.....			---	33,956,881
42 - DOMESTIC LOANS				
01. Fiji Development Loans.....	131,801,500	81,470,524	---	50,330,976
Total.....	131,801,500	81,470,524	---	50,330,976
Net Decrease.....				50,330,976
Total Borrowing Proceeds.....	734,801,500	650,513,643	59,494,639	143,782,496
Grand Total.....	2,482,274,112.00	2,451,779,617.00	232,742,929.00	263,237,424.00
Net Decrease.....				30,494,495.00
SUMMARY OF REVENUE				
Operating Revenue.....	1,667,797,412	1,771,566,057	162,461,725	58,693,080
Investing/Loans Revenue.....	814,476,700	680,213,560	70,281,204	204,544,344
Grand Totals.....	2,482,274,112	2,451,779,617	232,742,929	263,237,424

GOVERNMENT OF THE REPUBLIC OF FIJI

Schedule 9

STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2011

Heads of Appropriation	Original Budget	Redeployment	Revised Estimate	Actual Expenditure 2011	(Over) / Under Expenditure
	\$	\$	\$	\$	\$
GENERAL ADMINISTRATION					
Office of the President	1,419,358	---	1,419,358	1,215,199	204,159
Office of the Prime Minister	50,894,202	4,517,791	55,411,993	53,834,934	1,577,059
Attorney General and Solicitor General	7,124,022	---	7,124,022	5,013,050	2,110,972
Ministry of Finance	62,044,401	(1,000,000)	61,044,401	59,065,116	1,979,285
Ministry of Indigenous Affairs	18,203,954	(115,000)	18,088,954	17,652,730	436,224
Ministry of Defence, National Security and Immigration	4,332,638	---	4,332,638	4,012,417	320,221
Ministry of Labour, Industrial Relations and Employment	9,246,879	---	9,246,879	8,910,757	336,122
Ministry of Foreign Affairs, International Co-operation and Civil Aviation	25,153,053	---	25,153,053	22,533,203	2,619,850
Office of the Auditor General	3,200,769	---	3,200,769	2,700,846	499,923
Elections	1,696,126	(815,166)	880,960	650,361	230,599
Judiciary	16,079,265	---	16,079,265	13,635,521	2,443,744
Legislature	1,373,123	(398,608)	974,515	851,402	123,113
Office of Accountability and Transparency	960,711	(200,000)	760,711	556,327	204,384
Office of the Director of Public Prosecutions	3,842,892	---	3,842,892	3,187,584	655,308
Ministry of Justice	22,447,553	(1,725,000)	20,722,553	19,612,703	1,109,850
Ministry of Information	3,998,335	---	3,998,335	3,547,855	450,480
Ministry of National Planning	8,598,037	---	8,598,037	6,138,430	2,459,607
Ministry of Provincial Dev, Disaster Management and Multi-Ethnic Affairs	28,869,657	2,380,013	31,249,670	29,688,266	1,561,404
Fiji Military Forces	108,028,968	(553,050)	107,475,918	109,233,075	(1,757,157)
Fiji Police Force	76,959,564	---	76,959,564	77,972,823	(1,013,259)
Total for General Administration	454,473,507	2,090,980	456,564,487	440,012,599	16,551,888
SOCIAL SERVICES					
Ministry of Education, National Heritage, Culture and Arts	245,096,605	3,531,076	248,627,681	252,281,053	(3,653,372)
Ministry of Health, Women and Social Welfare	137,448,399	---	137,448,399	149,784,032	(12,335,633)
Ministry of Local Government, Urban Development and Housing	12,620,711	(795,789)	11,824,922	10,386,931	1,437,991
Ministry of Social Welfare and Women	37,080,685	---	37,080,685	35,421,022	1,659,663
Ministry of Youth and Sports	3,360,585	---	3,360,585	3,022,700	337,885
Higher Education Institute	64,597,202	---	64,597,202	64,492,052	105,150
Total for Social Services	500,204,187	2,735,287	502,939,474	515,387,790	(12,448,316)

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Schedule 9

Heads of Appropriation	Original Budget	Redeployment	Revised Estimate	Actual Expenditure 2011	(Over) / Under Expenditure
	\$	\$	\$	\$	\$
ECONOMIC SERVICES					
Ministry Primary Industries	57,370,022	(1)	57,370,021	54,759,067	2,610,954
Ministry of Lands and Mineral Resources	25,770,204	(3,990,501)	21,779,703	18,673,976	3,105,727
Ministry of Industry and Trade	13,886,730	(939,246)	12,947,484	10,798,019	2,149,465
Ministry of Public Enterprise, Tourism and Communication	38,448,423	(4,430,000)	34,018,423	31,496,222	2,522,201
Total for Economic Services	135,475,379	(9,359,748)	126,115,631	115,727,284	10,388,347
INFRASTRUCTURE SERVICES					
Ministry of Works and Transport	227,909,897	271,810	228,181,707	220,776,565	7,405,142
Department of Public Utilities and Energy	99,108,635	6,442,644	105,551,279	113,981,010	(8,429,731)
Total for Economic Services	327,018,532	6,714,454	333,732,986	334,757,575	(1,024,589)
UNALLOCABLE					
Miscellaneous Services	228,085,469	(2,180,973)	225,904,496	193,271,069	32,633,427
Pensions, Gratuities and Compassionate Allowances	37,628,200	---	37,628,200	33,374,303	4,253,897
Charges on Account of Public Debt	797,586,900	---	797,586,900	770,221,897	27,365,003
Total for Unallocable Services	1,063,300,569	(2,180,973)	1,061,119,596	996,867,269	64,252,327
GRAND TOTALS	2,480,472,174	---	2,480,472,174	2,402,752,517	77,719,657

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
FOR THE YEAR ENDED 31 DECEMBER 2011

Schedule 10

Heads of Appropriation	Original Budget	Redeployment	Supplementary Appropriation	Virements	Revised Estimate	Actual Expenditure 2011	(Over) / Under Expenditure
SUMMARY BY SECS							
1. Established Staff	525,139,239	---	---	(6,315,062)	518,824,177	523,150,313	(4,326,136)
2. Unestablished Staff	41,708,706	---	---	1,519,730	43,228,436	46,112,567	(2,884,131)
3. Travel and Communications	20,794,747	---	---	1,362,554	22,157,301	20,544,449	1,612,852
4. Maintenance and Operations	68,170,646	2,798,079	---	4,279,586	75,248,311	72,408,570	2,839,741
5. Purchase of Goods and Services	70,822,068	---	---	361,567	71,183,635	67,059,865	4,123,770
6. Operating Grants and Transfers	286,477,645	10,949,324	---	(1,917,311)	295,509,658	292,301,884	3,207,774
7. Special Expenditures	54,335,244	(5,028,840)	---	1,209,484	50,515,888	39,064,782	11,451,106
8. Capital Construction	192,621,616	(3,588,037)	---	(2,528,878)	186,504,701	181,887,913	4,616,788
9. Capital Purchase	23,866,000	(500,000)	---	(526,914)	22,839,086	20,512,530	2,326,556
10. Capital Grants and Transfers	309,037,500	(3,682,706)	---	2,149,316	307,504,110	292,134,480	15,369,630
11. Pensions, Gratuities and Compassionate Allowances	37,628,200	---	---	---	37,628,200	33,374,303	4,253,897
12. Charges on Account of Public Debt	797,586,900	---	---	---	797,586,900	770,221,897	27,365,003
13. Value Added Tax	52,283,663	(947,820)	---	405,928	51,741,771	43,978,964	7,762,807
Grand Total	2,480,472,174	---	---	---	2,480,472,174	2,402,752,517	77,719,657

**GOVERNMENT OF THE REPUBLIC OF FIJI
BUDGET RESULT, ESTIMATE AND PROJECTIONS
FOR THE PERIOD 2009 - 2012**

Schedule 11

	Actual 2009 \$	Actual 2010 \$	Estimate 2011 \$	Actual 2011 \$	Projected 2012 \$	Projected 2013 \$
REVENUE						
Operating Revenue	1,352,296,492	1,484,044,681	1,667,797,412	1,771,566,057	1,737,759,900	1,815,057,800
Investing Revenue	60,548,839	52,470,629	79,675,200	29,699,917	41,041,200	42,723,900
Public Debt - New Borrowings	405,389,740	462,965,102	734,801,500	650,513,643	369,481,600	504,417,000
TOTAL REVENUE	<u>1,818,235,071</u>	<u>1,999,480,412</u>	<u>2,482,274,112</u>	<u>2,451,779,617</u>	<u>2,148,282,700</u>	<u>2,362,198,700</u>
EXPENDITURE						
Operating Expenditure	1,061,666,572	1,056,348,375	1,056,825,977	1,094,016,732	1,070,158,500	1,068,245,500
Capital Expenditure	335,014,525	339,654,348	379,644,882	494,534,924	355,387,700	265,558,700
Value Added Tax	51,572,901	48,735,276	49,511,487	43,978,964	44,797,300	41,609,800
Public Debt Repayments	463,148,452	455,343,659	507,981,000	770,221,897	285,676,800	281,872,700
TOTAL EXPENDITURE	<u>1,911,402,450</u>	<u>1,900,081,658</u>	<u>1,993,963,346</u>	<u>2,402,752,517</u>	<u>1,756,020,300</u>	<u>1,657,286,700</u>
BUDGET RESULT	<u>(93,167,379)</u>	<u>99,398,754</u>	<u>488,310,766</u>	<u>49,027,100</u>	<u>392,262,400</u>	<u>704,912,000</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 2009 - 2013

Schedule 12

	Actual 2009 \$	Actual 2010 \$	Estimate 2011 \$	Actual 2011 \$	Projected 2012 \$	Projected 2013 \$
REVENUE						
Operating Revenue						
Direct Receipts (Income Tax & Capital Gain)	452,920,274	425,983,347	454,520,000	478,807,318	470,666,800	488,802,800
Indirect Revenue						
Customs	326,357,995	350,170,724	351,784,544	343,434,454	376,774,000	395,338,100
Hotel Turnover Tax	24,960,513	30,611,584	27,762,500	36,285,368	28,845,300	30,027,900
Water Resource Tax	295,888	469,773	22,554,700	34,714,524	23,434,400	24,395,200
Superyacht Charter Fee	---	---	---	---	---	---
Departure Tax	---	---	51,000,000	61,288,625	52,989,000	55,161,500
Fish Levy	---	---	1,800,000	1,034,711		
Luxury Vehicle Tax	---	---	---	95,000		
Miscellaneous Fees & Receipts	---	---	5,017,568	(851,992)		
VAT	404,688,978	494,895,149	584,281,400	618,859,015	609,413,000	638,493,800
Fees, Fines, Charges and Penalties	97,621,724	138,863,131	111,009,200	117,513,458	115,305,200	120,032,700
Operating Revenue Sales	55,622	45,407	40,100	---	41,700	43,400
Other Revenue and Surpluses	24,268,587	25,435,733	34,961,900	56,164,477	36,325,500	37,814,800
Reimbursement and Recoveries	14,897,703	8,683,012	14,743,300	17,446,328	15,318,200	15,946,300
Grant in Aid	6,229,209	8,886,821	8,322,200	6,774,771	8,646,800	9,001,300
Total Operating Revenue	1,352,296,493	1,484,044,681	1,667,797,412	1,771,566,057	1,737,759,900	1,815,057,800
Investing Revenue						
Repayment of Term Loans Receivable	532	175	---	60	---	---
Sale of Government Assets	---	---	40,174,600	200,916	---	---
Dividends from Investment	22,827,214	12,726,623	30,149,700	10,631,806	31,325,600	32,609,900
Interest from Bank Balance	30,747,615	39,728,048	8,835,100	18,867,134	9,179,700	9,556,100
Return of Surplus Capital from Investment	1,164,197	15,783	15,800	---	16,400	17,100
Gain on Exchange Rate	5,509,281	---	500,000	---	519,500	540,800
Total Investing Revenue	60,548,839	52,470,629	79,675,200	29,699,917	41,041,200	42,723,900
TOTAL REVENUE	1,412,845,332	1,536,515,310	1,747,472,612	1,801,265,974	1,778,801,100	1,857,781,700
EXPENDITURE						
General Administration Services						
Operating Expenditure	353,654,562	348,928,113	398,126,425	388,440,222	388,424,700	388,424,700
Capital Expenditure	54,575,137	52,554,339	40,815,317	36,468,921	33,087,000	33,569,000
Total General Administration	408,229,699	401,482,452	438,941,742	424,909,143	421,511,700	421,993,700
Social Services						
Operating Expenditure	441,645,434	461,451,321	471,032,126	485,911,086	464,865,500	464,865,500
Capital Expenditure	38,568,293	24,588,140	21,191,173	20,604,204	14,500,000	11,300,000
Total Social Services	480,213,727	486,039,461	492,223,299	506,515,290	479,365,500	476,165,500
Economic Services						
Operating Expenditure	83,260,753	82,278,453	70,367,237	61,745,672	65,287,000	65,274,000
Capital Expenditure	64,701,753	58,215,099	50,027,836	48,823,454	52,025,100	48,025,100
Total Economic Services	147,962,505	140,493,552	120,395,073	110,569,127	117,312,100	113,299,100
Infrastructure Services						
Operating Expenditure	109,393,028	94,056,950	103,053,337	99,106,220	95,258,000	95,158,000
Capital Expenditure	150,255,448	145,084,112	215,832,356	223,266,766	194,967,000	128,898,000
Total Infrastructure Services	259,648,476	239,141,062	318,885,693	322,372,986	290,225,000	224,056,000
Miscellaneous Services						
Operating Expenditure	37,618,818	36,494,986	34,088,281	25,439,229	18,695,100	16,895,100
Capital Expenditure	26,913,895	59,212,658	188,981,215	165,371,578	60,808,600	43,766,600
Total Miscellaneous Services	64,532,713	95,707,644	223,069,496	190,810,807	79,503,700	60,661,700
Pensions, Gratuities and Compassionate Allowance	36,093,978	33,138,552	37,628,200	33,374,303	37,628,200	37,628,200
Value Added Tax	51,572,901	48,735,276	51,741,771	43,978,964	44,797,300	41,609,800
Finance Charges on Public Debt	196,480,198	223,952,584	797,586,900	770,221,897	285,676,800	281,872,700
TOTAL EXPENDITURE	1,644,734,197	1,668,690,583	2,480,472,174	1,632,530,620	1,756,020,300	1,657,286,700
NET DEFICIT	(231,888,865)	(132,175,273)	(732,999,562)	168,735,354	22,780,800	200,495,000

**GOVERNMENT OF THE REPUBLIC OF FIJI
ESTIMATE AND ACTUAL BUDGET RESULT
FOR THE PERIOD 2009 - 2011**

Schedule 13

	Actual 2009 \$	Actual 2010 \$	Estimate 2011 \$	Actual 2011 \$
REVENUE				
Operating Revenue	1,352,296,492	1,484,044,681	1,667,797,412	1,771,566,057
Investing Revenue	60,548,839	52,470,629	79,675,200	29,699,917
Public Debt - New Borrowings	405,389,740	462,965,102	734,801,500	650,513,644
TOTAL REVENUE	<u>1,818,235,071</u>	<u>1,999,480,412</u>	<u>2,482,274,112</u>	<u>2,451,779,619</u>
EXPENDITURE				
Operating Expenditure	1,061,666,572	1,056,348,375	1,114,295,606	1,094,016,732
Capital Expenditure	335,014,525	339,654,348	516,847,897	494,534,924
Value Added Tax	51,572,901	48,735,276	51,741,771	43,978,964
Public Debt Repayments	463,148,452	455,343,659	797,586,900	770,221,897
TOTAL EXPENDITURE	<u>1,911,402,450</u>	<u>1,900,081,658</u>	<u>2,480,472,174</u>	<u>2,402,752,517</u>
BUDGET RESULT	<u>(93,167,379)</u>	<u>99,398,754</u>	<u>1,801,938</u>	<u>49,027,102</u>