



The Fijian Government Ministry of Economy 2017-2018 Budget Highlights

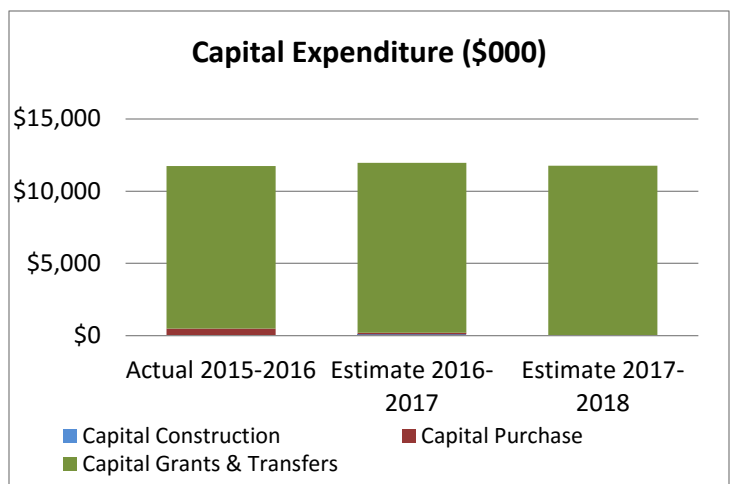
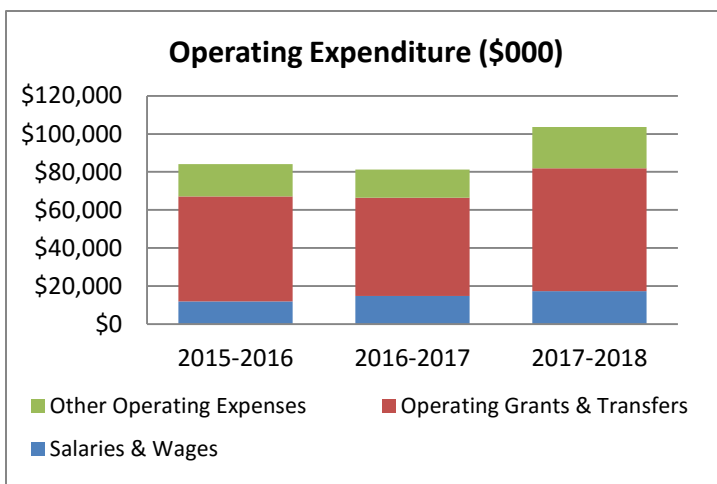
The Ministry of Economy is responsible for managing public finances in accordance with the Fijian Constitution and the Finance Management Act 2004.

The Ministry carries out economic and financial forecasting and analysis; manages Government's national budget, debt and financial and physical assets; oversees fiscal policy and tax collection; conducts financial management reforms; and ensures that Government can procure the goods and services required to maximise services delivered to the Fijian people.

Other major roles include the:

- effective management of capital construction projects and government offices and accommodation;
- formulation and coordination of national development plans, including climate change policy and financing, and monitoring of programmes and projects under the national budget; and
- ensuring the effective operation of the Fiji Bureau of Statistics [FBOS] in the publication of all statistical information in a timely and coherent manner.

The total budget for the Ministry of Economy in the 2017-2018 Budget is **\$117.3 million**, comprising **\$103.6 million** for operating expenditure, **\$11.8 million** for capital expenditure and VAT of **\$1.9 million**.



The increase of **\$22.8 million** in the Ministry's 2017-2018 Budget is mainly attributed to:

- an increase of \$2.5 million to cover adjustments in salaries and wages, the re-structure of the ministry and creation of new positions;
- increases in the grant for the Fiji Revenue and Customs Authority [FRCA] by \$10.7 million, allocations for the Fiji Serviceman's Aftercare Fund by \$2.2 million and the conduct of the 2017 Population Census by \$6.0 million; and
- increases in other operating expenditure by \$0.9 million for travel and communications, maintenance and purchase of goods and services.

New Initiatives

- Several new allocations fall under the civil service reforms that are reorganising the Ministry of Economy in line with the review carried out by the World Bank. The reforms are designed to improve efficiency in the management of the public financial system.
 - \$3.2 million is allocated to establish a new Budget and Planning Division that will oversee the Government budgetary system and allocate resources more efficiently, effectively and equitably throughout Government to drive national development strategies and priorities.
 - \$1.6 million is allocated to the new Fiscal Policy Research and Analysis Unit responsible for financial and economic forecasting and analysis including oversight of fiscal policy.
 - To ensure VAT and duty reductions are passed on to consumers, \$500,000 is allocated to establish a new Economic Intelligence Unit to work with the Fiji Revenue and Customs Authority and Commerce Commission in enforcing this law.
 - \$2.1 million is allocated to strengthen the Procurement Division to improve the process for the procurement of goods and services for Government, including tenders, logistics and management of all Government vehicles.
 - \$1.1 million is allocated to establish a Climate Change and International Cooperation Division to better mainstream climate change and the 2030 Agenda into national development planning. The Division will actively engage with development partners to

seek out and capitalise on opportunities to access climate finance, review policies and monitor development projects and programmes.

- \$500,000 is allocated to secure technical assistance and leverage financial support through the British Council to set up a new National Gallery for Contemporary Art.
- \$250,000 is allocated to coordinate preparatory works for the construction of public rest rooms along major trunk routes (Head 50).

Ongoing Initiatives

- To further enhance revenue collection, border protection and trade and travel facilitation through:
 - Capital Grant to Fiji Revenue and Customs Authority: covers the capital expenses for the construction of a new Nadi Office, the establishment of a National Tax Information System and Human Resource Information System and the procurement of first defender equipment for customs checks (\$11.75 million).
- To administer government pensions, gratuities and benefits through:
 - Fiji Serviceman's Aftercare Fund: an additional \$2.2 million has been allocated to the Fund, administered by the Accounting Services Division, for the monthly allowances and medical and educational assistance to ex-servicemen or their beneficiaries. (\$11.0 million).
 - Pensions: oversees the payment of government pensions including ex-prime ministers, presidents and parliamentarians, retired judges and all service pensioners and their beneficiaries as well as re-engagement benefits for military and prisons officers and forest guards (\$45.8 million – allocated under Head 51).
- The prudent management of the public financial management system through:
 - Accounting Services: manages all government payments including the payment of salaries and pensions (\$4.3 million).

- Debt Management: manages the central government debt portfolio and related liabilities. This includes domestic and external borrowing, issuing government guarantees for loans and maintaining the government's on-lending portfolio (\$503,700).
- Internal Audit and Good Governance: carries out internal audits and surcharge services for government, including reviews of control systems and processes (\$1.9 million).
- To ensure effective management of major physical assets through:
 - National Asset Management Framework: coordinates the implementation of the framework to improve the recording and maintenance of government assets (\$207,143).
 - Vehicle Leasing and Procurement: provides immediate access to cars and other specialised vehicles for agencies such as the Fiji Police Force and Republic of Fiji Military Forces through the Government Fleet Management Unit (\$40.7 million – allocated under Head 50).
 - Construction Implementation and Management of Public Buildings: coordinates the implementation of major capital construction or maintenance works. This includes:
 - a) management of public buildings, including rental and administration of housing allowance (\$38.3 million);
 - b) construction of funeral rites facilities at Vatuwaqa, Nausori and Lautoka (\$1.0 million – allocated under Head 50); and
 - c) office refurbishments which includes the upgrading of public offices/buildings to improve access for people living with disabilities (\$3.8 million – allocated under Head 50).
- The collection and release of timely and accurate statistics for informed policy and decision-making through:
 - 2017 Census: to complete the 2017 Census, census enumerators have been appointed and data will be collected in the field in a digital format for the first time to improve timeliness and accuracy (\$14.5 million).