



STANDING COMMITTEE ON SOCIAL AFFAIRS

**REVIEW REPORT ON THE I -TAUKEI TRUST FUND BOARD 2014
ANNUAL REPORT**



**PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 87 of 2016**

27th September 2016

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CHAIR'S FOREWORD

I am pleased to present the review report of the Committee on the iTaukei Trust Fund Board (ITFB) 2014 Annual Report.

Under the Parliament Standing Orders, the Social Affairs Standing Committee is mandated to examine matters related to health, education, social services, labour, culture, media and their administration.

The objective of the review was to scrutinize the I-taukei Trust Fund Board's 2014 Annual Report, specifically on the areas of budget, administration, investment portfolios, organization structure, functions, policies, projects and achievements in 2014.

The CEO from the I-taukei Trust Fund Board was summoned on 10th June, 2016 to explain to the Committee on its 2014 activities and financial performance. The Committee had assessed the I-taukei Trust Fund Board 2014 Annual Report in consultation with the CEO of the iTaukei Trust Fund Board and identified few areas that the Board needs to improve on in its future undertakings. The outcome of the consultation was positive in which the Committee has noted the core responsibilities of the ITFB which involves the promotion of initiatives that will strengthen the Vanua, enhance appropriate cultural traditions, values and well-being of the iTaukei and the Rotumans.

This Report was compiled and agreed by the bipartisan Standing Committee on Social Affairs after reviewing the I-taukei Trust Fund Board's 2014 Annual Report.

Finally, I wish to thank all the Honorable Members and the Secretariat team who were actively involved in the successful compilation of this bipartisan report. The Members of the Standing Committee on Social Affairs who were all involved, including Hon. Salote Radrodro (Deputy Chairperson), Hon. Veena Bhatnagar (Member), Hon. Anare T. Vadei (Member), Hon. Mohammed Dean (Member) and Hon. Ruveni Nadalo (Alternate Member).

On behalf of the Social Affairs Standing Committee I also extend my appreciation to the CEO for the I-Taukei Trust Fund Board for the presentation made to the Committee with regards to their 2014 Performance Annual Report.

On behalf of the Standing Committee on Social Affairs, I commend this report to the Parliament.

Hon. Viam Pillay

Chairperson of the Social Affairs Standing Committee

LIST OF ACRONYMS

AUS	-	Australian
BCN		Beacons Minerals Limited
BLV	-	Bose Levu Vakaturaga
CBD	-	Central Business District
CEO	-	Chief Executive Officer
IDOC	-	International Development in Oceania Committee
IRA	-	International Reading Association
ITFB	-	I-taukei Trust Fund Board
RBF	-	Reserve Bank of Fiji
SO	-	Standing Orders of Parliament of the Republic of Fiji

Recommendaion 1:

The Standing Committee on Social Affairs has conducted a review of the Annual Report of the I-Taukei Trust Fund Board for the year 2014, and recommends that Parliament note of its report.

INTRODUCTION

The Annual Report of the I-Taukei Trust Fund Board for 2014 was tabled in Parliament back in August 2015 and was referred to the Standing Committee on Social Affairs, for its scrutiny.

Standing Orders 109(2) (b) allows Standing Committee on Social Affairs to look into matters related to health, education, social services, labour, culture and media.

Standing Orders 110(1)(c) authorizes the Standing Committee to *scrutinize the government departments with responsibility within the Committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalization, restructuring, functioning, organization, structure and policy formulation.*

FUNCTIONS OF THE BOARD

The Standing Committee noted that the mission of the iTaukei Trust Fund Board is to promote initiatives that will strengthen the Vanua, enhance appropriate cultural traditions, values and well-being of iTaukei and Rotumans.

In addition, the objectives of the Board were intended to be charitable in purpose. They were intended to provide funding for the undertaking, promotion and sponsoring programmes on Fijian languages, culture and the study of ethno-history and ethno –geography. It also provides funding to boost the drive to invigorate and sustain at impact level the management, leadership and entrepreneurial skills of the indigenous Fijians and Rotumans. Also, to sponsor research into languages, art and culture of indigenous Fijians and Rotumans and the better understanding of their culture and heritage. In addition, the Board is also responsible on all other purpose approved by the Board that will benefit the indigenous as well as the Rotumans.

The iTaukei Trust Fund Board was established by the Fijian Government to foster advancement of the indigenous Fijians and Rotuman in promoting initiatives that will better their standard of living and enhance appropriate cultural traditions and values.

There are two major functional areas of the Fund's Board which are listed below:

- i. Investment
- ii. Culture and Heritage

The purpose of (i) above is to invest those funds and from the funds generated to fund the objective as already highlighted. The Board invests the capital outlay of \$40 million to generate the rate of return that ensures the Fund is financially self-sustaining. This is

- To fund activities and projects that enables the Fund to fulfill its legislative objectives.
- Four major focus areas:-
- Language and culture study
- Leadership
- Heritage and Indigenous Knowledge
- Entrepreneurship

There are four major objectives in terms of Culture and Heritage –

- i. Language and culture;
- ii. Entrepreneurship;
- iii. Leadership; and
- iv. Heritage and Indigenous Laws.

Those are the four major areas in terms of fulfilling the objectives of the Fund. The objectives stated above focuses on the following:

- Ongoing projects and some new ones. This is focusing on the promotion of the indigenous language and culture. One of the **dramas** that ITFB did was the *Nailulu* which was intended to promote to the community, especially the indigenous community the values of i-Taukei culture.
- The *Na iLululu* drama and the *Lakovi*, they were supported by the Ministry of Education to be drama texts in the highest forms (Forms 5, 6 and 7);
- Traditional Folklore;
- To revitalize traditional stories and share meaningful lessons. Funds publications as comics with animation as it's the final objective;
- Contemporary and relevant teaching aid; and

- 17 primary schools teachers trained on the skills of writing short stories through technical assistance from the International Reading Association (IRA) and its affiliate the International Development in Oceania Committee (IDOC). The short stories on contemporary relevant subjects seen to greatly boost Children’s interest and development. This is jointly funded by IRA and ITFB.

ISSUES RAISED

GENDER ANALYSIS

Under SO 110(2), where a committee conducts an activity listed in clause (1), the committee ensures full consideration will be given to the principle of gender equality so as to ensure matters considered with regard to the impact and benefit on both men and women equally. In this regard, the Committee proposed the need for ITFB to provide in its future reports the breakdown of gender equality and positions held within the ITFB.

RECOMMENDATION 2

1. The committee recommends that future reports to present sex desegregated data to reflect gender equality and participation in the positions held within ITFB.

SHARE PORTFOLIO 2014

In 2014, the Committee noted ITFB has increased its BCN shares with additional amount of 7,863 shares purchased and at 31st December, 2014 these shares were valued at \$7.08 per share.

The ITFB had also purchased shares from the Australian company Transurban¹ and currently holds 23,956 shares with a market value of AUS\$8.58. The Committee also noted that ITFB’s also having shares in Orora² with a total of 100,000 shares with the market value of AUS\$8.58 per share at the end of December, 2014. There were no new investments made on fixed interests.

Further noted that in Australia, the Adelaide and Bendigo Bank bond were repaid in March and the TTFB receipted the principal of AUS\$250,000 with its final interest payment of AUS\$2,228.

¹ Transurban operates and maintains major road tolls along the east coast of Australia, including the major cities of Brisbane, Melbourne and Sydney.

² Orora is a fibre and beverage packaging international company.

Also noted in the Annual Report, that in Australia the investment in Timber Corp Orchid Trust was written off in 2010. The fund received was AUS\$40,203.44 for the \$100,000 that was initially invested. The payout was the result of the final court settlement between the Growers and Timber Corp Orchid Trust.

Overall, the market value of ITFB's investment portfolio has increase from \$84,415,226 to \$89,688,839 which is an increase of 6.25%.

PROPERTY PORTFOLIO

ITFB currently has the following list of properties:

1. **Draiba Complex** – BLV complex and other office buildings, some office which are currently rented by Government ministries.
2. **Radison Blu Resort** – subleased to Carlson Rezidor. The ITFB had agreed to extend the sublease for a further term of 10 years effective from July 2017. The property has undergone major upgrading and refurbishing works after a new capital commitment by partners of the resort.
3. **Union Plaza** – a retail complex on Thomson Street, Suva CBD. It was noted that repair works to damage that was sustained from a fire in December 2013 have been completed. It was noted that 100% occupancy was attained by ITFB in November 2014.
4. **Building at 16 St Fort Street** – ITFB entered into a joint venture agreement with the Methodist Church Holding Trust for the development of their respective properties along St Fort Street and Stewart Street and discussion are still ongoing on this project.

REVENUE GENERATION

ITFB reported “mixed results” in 2014 and the dividend payout has remained largely consistent with past trends. Dividend revenue was dependent on the dynamics of the Australian market. In Australia there were reductions in dividend payout from companies in the resource sector as there was a downturn in export revenue.

The deposit rates continue to face downward pressure in Fiji and Australia. RBF has maintained the official rate at 0.5%, whilst the Australian Reserve Bank has reduced the rate to 2.25% with further reduction likely.

It was noted that ITFB overall revenue has increased from \$7,011,775 to \$7,173,190 which is an increase of 2.3%.

Given the investment returns gained by the i-Taukei Trust Fund Board, the Committee expressed its view on the need for these gained to be passed down to the grassroots people for economic development purposes. In this regard, the Committee proposed that the ITFB, the Ministry of i-Taukei Affairs to work together through each Provincial Council Office to identify potential economic activities on each 14 Province/villages such as development of heritage sites for eco-tourism purposes and roped in the ITFB to invest and monitor the projects and also teach people on financial literacy.

RECOMMENDATION 3

1. That the iTaukei Trust Fund Board's investment returns or portion of its revenue to be passed down to the grassroots people through funding assistance to economic activities in all villages. Also, future reports to capture funds distributed to each 14 Provincial Council and how are they utilized within each province.

RECOMMENDATION 4

1. The Committee recommends that the Annual Report should include a brief description of the companies that ITFB has purchased shares in, particularly those abroad. Only the names of the companies are provided, but little information is given on these companies and their core business etc.

CONCLUSION

The Standing Committee on Social Affairs has fulfilled its mandate approved by Parliament which was to examine the I-Taukei Trust Fund Board's 2014 Annual Report. The Committee has conducted its review and acknowledges the role of the Board which is to protect and enhance the Fund's value, set and review Trust strategies and strategic direction, monitor operating and financial performance, risk management, achieve objectives and purpose of the ITFB.

The review of the iTaukei Trust Fund Board 2014 Annual Report was conducted in a very comprehensive manner which has the contribution of both sides. The response and the input from ITFB were overwhelming which contributed a lot in the compilation of this Committee report. The records of the consultation made with the ITFB are on the Appendix column of this report.

The issue that concerns the Committee has been highlighted on each recommendation of the report and these would assist the ITFB in its future undertakings. Most importantly, future reports need to capture on how the revenue gained from its investment portfolios are distributed and utilized in the 14 provinces in Fiji and the people of Rotuma.

APPENDICES

**APPENDIX 1: POWERPOINT PRESENTATION BY THE I-TAUKEI TRUST
FUND BOARD**

Appendix 1: Powerpoint presentation by the I-Taukei Trust Fund Board

PRESENTATION TO THE STANDING COMMITTEE ON SOCIAL AFFAIRS

FRIDAY 10TH JUNE 2016

ITaukei Trust Fund Board Members as at 31st December 2014

- ▶ Adi Lusiana S. Ganilou
- ▶ Mr. Apakiki Kurusiga
- ▶ Dr. Paula Varuolaloi
- ▶ Mrs. Sereana Tagivakafini

VISION

- ▶ To be the leading institution to assist the Vanua to uplift the well being of ITaukei and Rotumans through prudent management of funds.

MISSION

- ▶ To promote initiatives that will strengthen the Vanua, enhance appropriate cultural traditions, values and well being of ITaukei and Rotumans

MANDATE

- ▶ The objective of the ITaukei Trust Fund Board are intended to be charitable in purpose. They are
- ▶ Fund promotion and sponsoring of programmes on the Fijian and Rotuma languages culture and study of ethno-geography and ethno-history
- ▶ Funding to help develop the management, leadership and entrepreneurial skills of the indigenous Fijians and Rotumans
- ▶ Sponsor research into languages, art and culture of the indigenous Fijians and Rotumans and to better understand and preserve their heritage
- ▶ Any other purpose approved by the Board to be beneficial to the indigenous Fijians and Rotumans

FUNCTIONAL AREAS

▶ INVESTMENTS

- ▶ Invest the capital outlay of \$40 million to generate the rate of return that ensures the Fund is financially self sustaining

▶ OBJECTIVES

- ▶ To fund activities and projects that enable the Fund to fulfil its legislated objectives.
- ▶ Four major focus areas:-
 - ▶ Language and culture study Entrepreneurship
 - ▶ Leadership Heritage and Indigenous Knowledge

INVESTMENTS CONTINUED UNIT TRUSTS, DEBT NOTES & TERM DEPOSITS

▶ Unit Trust	Units	\$ Value	Income \$
▶ UTOF	361,787	413,826	12,384
▶ RHUT	760,568	562,820	46,930
▶ Notes			
▶ FFF	200,000	196,000	15,000
▶ Term deposits:			
	\$amount	Term	Income \$
▶ Westpac	6,497,338	1 year	97,051
▶ BOP	2,000,000	1 year	29,775
▶ Credit Corp	636,468	1 year	10,980
▶ Merchant Finance	1,401,628	1 year	58,425

INVESTMENTS 2014 ANNUAL REPORT

- ▶ Notes 5.6 & 7 pages 37 -40

▶ Local Investments: Shares

▶ Company	No of Shares	\$ Value	Income \$
▶ PHL (B class)	10,000,000	10,000,000	2,100,000
▶ ATH	5,000,000	4,850,000	250,000
▶ PGI	1,000,000	2,000,000	40,000
▶ RBG	4,000,000	11,320,000	560,000
▶ BCN	104,054	736,702	50,747

INVESTMENTS CONTINUED

- ▶ Overseas: Australian Stock Exchange
- ▶ Shares
- ▶ Listed Interest Securities

INVESTMENTS CONTINUED SHARES

Notes 5,6 & 7 pages 37-40 of the financial statements

Company	No of shares	\$ Value	Income \$
ALS Ltd	15,982	136,988	8,220
Ampcor	18,750	406,425	13,440
ANZ Bank	44,560	2,282,411	131,912
BHP Billiton	10,935	512,627	23,874
CBA	18,385	2,513,073	124,102
Manadelphous	6,358	95,294	13,040
NAB	21,500	1,153,073	70,873
Orora Ltd	100,000	311,253	8,019

INVESTMENTS CONTINUED SHARES

▶ Notes 5,6 & 7 pages 37- 40 of the Financial statements

▶ Company	No of Shares	\$ value	Income \$
▶ Rio Tinto	5,356	495,847	20,203
▶ Sydney Airport	200,000	1,503,591	69,243
▶ Telstra	273,400	2,605,264	135,626
▶ Transurban	23,956	328,081	14,337
▶ Westfarmers	8,919	593,936	30,096
▶ Westpac Bank	8,000	423,432	24,237
▶ Worley Parsons	5,065	81,493	7,137

INVESTMENTS CONTINUED LISTED INTEREST SECURITIES

▶ Notes 5, 6 & 7 pages 37-40

▶ Company	No of notes	\$ Value	Income \$
▶ AGL Energy	750	119,713	8,061
▶ ARC	1,000	159,617	10,425
▶ AXA	5,000	798,085	33,750
▶ Bendigo			2,968
▶ Colonial	2,000	319,234	19,808
▶ NAB	1,000	159,616	9,016
▶ Origin Energy	1,000	159,617	11,113

INVESTMENTS CONTINUED LISTED INTEREST SECURITIES

▶ Company

▶ Company	No of Notes	\$ Value	Income \$
▶ Suncorp	1,000	159,617	9,088
▶ Westpac	1,000	159,617	9,350
▶ Woolworths	950	151,636	9,004

INVESTMENTS CONTINUED PROPERTIES

- ▶ Note 9 pages 41 & 42
- ▶ Investment properties:
- ▶ Draiba complex at Draiba fully tenanted by Government
- ▶ Union Plaza: 7 shops fully tenanted
- ▶ Radisson Blu Resort, Denarau, owned all the Ancillary Business Areas
- ▶ 16 St Fort Street, Suva tenanted
- ▶ 21 Stewart Street, Suva tenanted
- ▶ 23 Stewart Street, Suva tenanted
- ▶ Total value as at 31/12/14 \$35,431,419. Gross rental \$2,771,843

INVESTMENTS CONTINUED PROPERTIES

- ▶ For redevelopment: St Fort St and Stewart St Properties
- ▶ Joint Venture with MCH: Multi purpose commercial development, Hotel and retail center the core
- ▶ Phase II Development: Draiba Complex: cultural center

MANDATED OBJECTIVES LANGUAGE & CULTURE STUDIES

- ▶ Projects On going and new
- ▶ **Drama: Na iLululu**
- ▶ Funded the production of the Drama Na iLululu: 2nd in a trilogy
- ▶ Influences of Modernisation and the conflicting ways of performing customs and the thinking between genders and generations are interplayed so that there is constructive discussions on the issues.
- ▶ **So Mate**
- ▶ Funded the research on the funeral practices and their social, economic, and cultural impact on the wellbeing of the indigenous Fijians.

MANDATED OBJECTIVES LANGUAGE & CULTURAL STUDIES CONTINUED

- ▶ **Traditional Folklore**
- ▶ To revitalize traditional stories and share meaningful and lessons in them. Funds Publications as comics with animation the final objective
- ▶ **Contemporary and relevant teaching aid**
- ▶ 17 primary schools teachers trained on the skills of writing short stories through technical assistance from the International Reading Association (IRA) and its affiliate the International Development in Oceania Committee (IDOC). The short stories on contemporary relevant subjects seen to greatly boost Children's interest and development. Jointly funded by IRA and TRB

MANDATED OUTLAY LANGUAGE & CULTURE STUDY CONTINUED

- ▶ **Funding the Ivolavosa App**
- ▶ In collaboration with the iTaukei Institute of Language and Culture initiated the development of a Ivolavosa App to make the Ivolavosa (Fijian monolingual dictionary) available on computer screens and hand held devices.
- ▶ **Diploma in Pacific Vernacular Studies – Fijian: USP**
- ▶ Funded the teachers (3) to enable USP continue offer this Diploma Program.
- ▶ Provided scholarship to a group of teachers and staff of the Ministry of iTaukei Affairs to pursue and complete the Diploma Program

MANDATED OUTLAY LEADERSHIP

- ▶ **Funded the Traditional Leadership and Management Training**
- ▶ A five year long exercise done at Provincial and Tikina Level. Chiefs, Yavusa heads, Tikina Reps to the Provincial Councils Women & Youth Leaders and Church Ministers were the attendees. Covered each of the 14 Provinces and every tikina within the provinces.
- ▶ Course in Traditional Leadership developed from the feedback received at each training.
- ▶ The Course is to be offered at Center for Appropriate Technology Development at Nadavu.

MANDATED OUTLAY HERITAGE AND INDIGENOUS KNOWLEDGE

- ▶ **Publication on Traditional Wisdom and Intangible cultural heritage**
- ▶ Editorial assistance provided to sponsors Ministry of Education & ICHCAP
- ▶ **Reprint of the "Wai Vakaviti"**
- ▶ At the request of the iTaukei Institute of Language and Culture
- ▶ **Archeological Development**
- ▶ Ring ditch site Lauvala Beach Estate in collaboration with National Trust, Lauvala Bay Sustainable Society, Fiji Museum, Nasiru Town Council and South Pacific Tourism Organisation. TTFB the principal funder in addition to coordinating and driving the development.

MANDATED OUTLAY ENTREPRENEURSHIP

- ▶ **Lauvala Bay Ring Ditch**
- ▶ At the appropriate stage to get the traditional owners involved at the business end

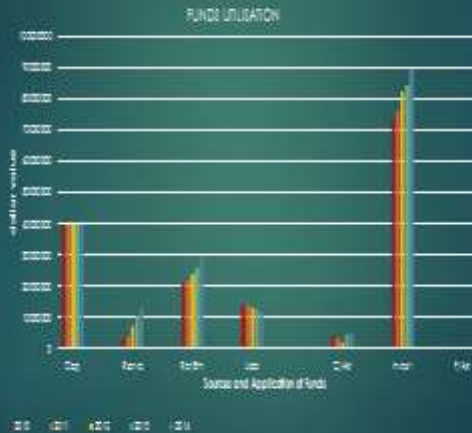
FINANCIALS PERFORMANCE 2014 INCOME STATEMENT SUMMARY

	2014	2013
	\$	\$
Gross Revenue	7,173,190	7,011,775
<u>Less Expenses</u>		
Ordinary Activities	2,016,454	2,080,934
Mandated outlay	554,004	376,374
Finance cost	544,841	612,478
Total Expenses	3,115,299	3,069,786
Net Profit from Operation	4,057,891	3,941,989

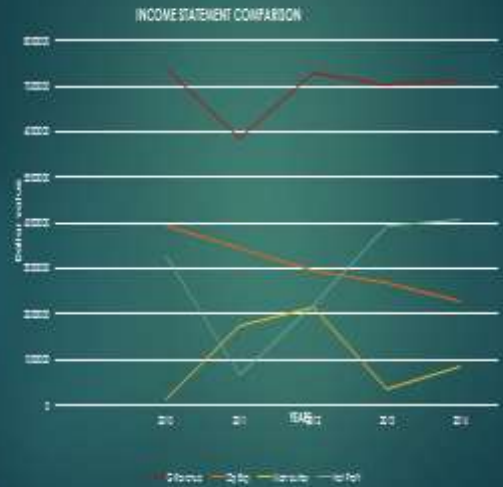
FINANCIAL PERFORMANCE 2014 BALANCE SHEET SUMMARY

	2014	2013
Assets	\$	\$
Current Assets	16,283,893	12,803,839
Fixed Assets	79,154,789	76,499,116
Total Assets	95,438,682	89,302,955
Liabilities		
Current Liabilities	1,152,749	1,040,044
Non Current	10,857,450	11,472,016
Total Liabilities	12,010,199	12,512,060
Equities		
Capital endowment	40,000,000	40,000,000
Reserve	13,544,414	10,529,877
Retained earnings	30,099,087	26,041,176
Total Equities	83,443,501	76,570,895
Liabilities & Equities	95,438,682	89,302,955

GRAPHS

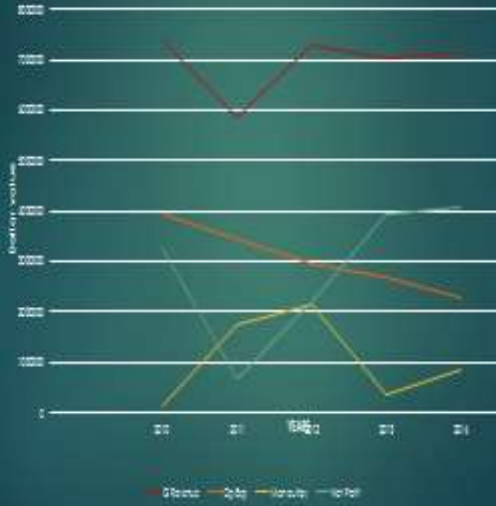


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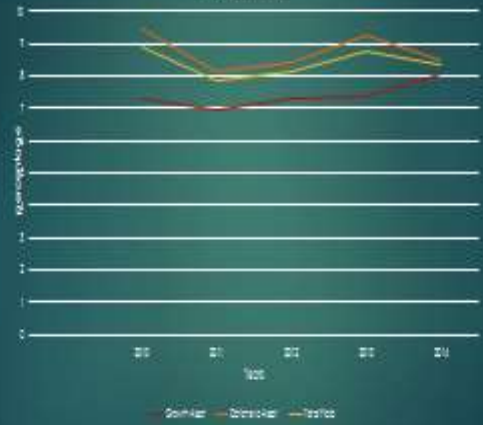
GRAPHS

INCOME STATEMENT COMPARISON



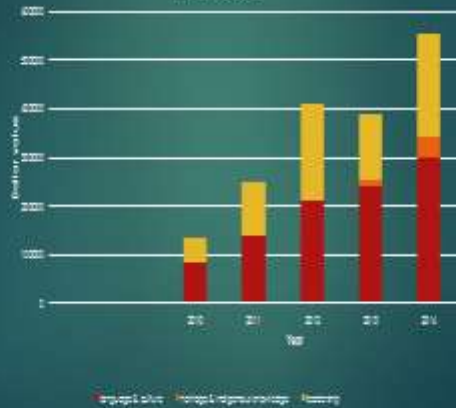
GRAPHS

FIELD COMPARISON



GRAPHS

MANDATED OUTLAY



VINAKA SAKA VAKALEVU

APPENDIX 2: VERBATIM NOTES

Appendix 2: Verbatim Notes

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE COMMITTEE ROOM (EAST WING) ON FRIDAY, 10TH JUNE, 2016 AT 12.00 P.M.

Submittee: *iTaukei* Trust Fund Board

In Attendance:

Mr. Isoa Kaloumaira

MR. I. KALOUMAIRA.- Mr. Chair and Honourable Members, as you know the report is really from the Board of the Fund, they report to the Minister and it is tabled in Parliament. So I am coming here on behalf of the Board of the Trust in terms of 2014. Those were the members; you can see their photos in the Annual Report.

Briefly going through whatever is in the report, I am just briefing some highlights in terms of the vision and mission. In terms of the mandate which is the objectives, these come out of the Act which governs us. Those are the objectives, they are charitable in nature:

- Promotion of the programmes in the indigenous languages;
- Funding management, leadership training of the indigenous communities;
- Sponsoring research into languages and culture; and
- Any other purpose approved by the Board to be beneficial to the indigenous communities.

Functional Areas - there are basically two major functional areas. The first one is Investments. We were given \$40 million by Government, in fact it was \$30 million in 2002 and 2003 and the \$10 million was granted to the Trust Fund \$10 million of FHL Class B shares to make it up to \$40 million. The purpose is to invest those funds and from the funds generated to fund the objective as already highlighted.

There are four major objectives in terms of Culture and Heritage -

- Language and culture
- Entrepreneurship

- Leadership
- Heritage and Indigenous Laws

Those are the four major areas in terms of fulfilling the objectives of the Fund.

We will start off with investments because money generated we are able to fund the mandatory objectives. These are Notes 5, 6 and 7 on pages 37 and 40. With the local investment in terms of shares. I have mentioned the FHL Class B shares of \$10 million, we also got \$5 million in ATH shares, Pacific Green shares, RB Patel Group, BCN is the Bank of South Pacific, there is a local element to it that you can buy and that is BCN.

So, in total those are the number of shares we have in each of the investments, the value and the income that we derive from each one in 2014. So the results from the Notes that I have highlighted there – it is all in Notes 5, 6 and 7.

In terms of Unit Trust, you also put investments into Unit Trust of Fiji and the Fijian Holdings Unit Trust. The number of units is there, the value and the income we derived from those two units are also noted there. We also add notes, Future Forest Fiji (FFF) they raised some notes and we bought notes there – 200,000 notes, they are paying us \$15,000 per annum. That one should be convertible this year into equity.

The rest of the funds, we are putting in term deposits locally.

- Westpac – we have \$6.4 million just a short \$6.5 million getting us \$97,000, this is as at 2014
- BSP - \$2,029,000
- Credit Corp - \$636,010,980
- Merchant Finance – over \$1.6 million getting over \$58,000 in terms of income.

We also have investments overseas. We applied to Reserve Bank, they allowed us to put money overseas and in 2003 we sent across about FJD \$4.5 million to invest in Australia, and all the investments are there in Notes 5, 6 and 7 and that is on pages 37 to 40. Those are the companies that we invest in, in terms of number of shares, the value of the shares and the income that we derive from them.

If I can briefly go through, just to give a background on the various companies. ALS is Service Company in the key source sector. Amcor is one of the world's biggest packaging company. ANZ, we are all aware of this. BHP is the biggest mining company in the world. CBA is Commonwealth Bank for Australia, another big bank. Monadelphous is

also another service industry in the resource sector. NAB is National Australia Bank; Orora Limited was part of Amcor packaging company. The company grew too big, they split it and the offered shares to the existing shareholders into this other one, Orora. So we also bought shares into Orora. These are all solid companies that we invested in. We have got advisors who advising us of this one. You will note the names of the advisors in the Annual Report, they are Morgans of Australia. They are the biggest retail brokers in Australia. They have got about 57 officers all over Australia and the next one to them has got about 15 officers. So, we are quite lucky to be helped by Morgans.

Those are the companies -

- Rio Tinto is well-known to. The second biggest mining company;
- Sydney Airports;
- Telstra - the biggest telecommunication company in Australia;
- Transurban - they own nearly all the toll roads in Brisbane, Melbourne and Sydney. So we also invest on those ones.
- Westfarmers -it is a big conglomerate in Australia. If you have been to Australia, it is a well-known hardware shops, Bunnings, Coles, Target.
- Westpac Bank
- Worley Parsons is another service company in the Oil and Energy sector.

Those are in terms of equity, these are in terms of notes. They also offer notes, something like bonds but it is a debt note offered by listed companies, they have term lives. The one we normally take is around five to seven years.

- AGL is a big energy company, something similar to Origin which we see at the bottom there.
- Origin Fiji Gas gets its gas from Origin. So those are the two biggest ones in Australia.

So those are the two biggest ones in Australia.

- AFIC is an investment company that takes money from the public and invests.
- AXA is another bond, another major company.
- Bendigo, that one has matured. Colonial is part of the Colonial Group
- NAB is an Australian National Bank
- Origin Energy

Those are notes, the value and the amount of income that we are deriving from them each year.

The other one is Suncorp. It is the biggest insurance company in Australia together with a bit of financing too. It used to be governments then it corporatized and now privatized too.

- Westpac;
- Woolworths – is the biggest supermarket chain in Australia. We have got notes too in that one. We have invested in shares and also notes.

Those are the, in terms of investment in Australia. What we try to do there is to make sure we broaden the investment that we have, not to focus on one sector.

In terms of Property Investments, it is on Note 9 in the Annual Report - Pages 41 and 42.

- The property at Draiba that is where our office is and also the Ministry Foreign Affairs and *iTaukei* Affairs. We own the complex and it is fully tenanted by Government.
- We also own the Union Plaza, that is the building between Westpac and Post Office, where we used to have the KFC shop. There are seven shops there fully tenanted.
- In Denarau, we own all the Ancillary Business Areas. Denarau, like most hotels, the hotel operators just comes and puts the logo in front of the property. The property is owned by investors. All the other investors own the room. We own the Ancillary Business Areas (ABA), those are areas that generate business income, like shops, restaurants, massage parlour, manicure, area, conference centres where the travel desk are; all those these belong to us.

There are three other properties we own in Suva -

- 16 St Fort Street, Suva tenanted
- 2 properties on Stewart Street

Total value of all the properties as at December was \$35 million. Gross rental of about \$2.7 million, we are getting from all the properties.

The properties in St. Fort Street and Stewart Street, we are proposing our re-development there and we have mentioned in the Annual Report. It is a joint-venture with the Methodist Church in Fiji Holding Trust because we own the three properties. The fourth one, next to it is the car park of the Methodist Church. So, the four properties will be amalgamated into one. We made the announcement last year that we have signed an agreement with the Carlson Group of Hotels to come and operate a 130-room hotel here to

be known as the Park Inn by Radisson and we are working on that project now. What are on those properties right now are just all residential buildings. We will just demolish those and put a new complex there.

Draiba Complex will go into Phase II to do a sort of a Cultural Centre there. We are hoping for that to come through to maybe in the next 12 months; both of them. That is the Investments Section. Income generated from there will go towards fulfilment of our main objective in terms of language and culture.

Mandated Objectives - Language and Culture Studies

These are ongoing projects and some new ones. This is focussing on the promotion of the indigenous language and culture.

Drama: *Na iLululu*.

One drama that we did was the Nailulu, this is the second that we have done. The purpose of the drama is to promote to the community, especially the indigenous community the values of our culture which seems to be slipping away. The first one we did prior to this was -

- *Lakovi* - That is when the man goes to the woman to ask the lady from her hand in marriage, there are traditional things to be done.
- *Na iLululu* - we use the words "*Na iLululu*" because it's short. The real term in Fijian is "*kau ni mata ni gone*".

You are taking your children for the first time to their mother's village. That is also another traditional obligation, and that was the purpose of the drama that we have done.

We have mentioned there trilogy. The third one that we will come off with is what we do in a death, and we going to put that into a drama - *So Mate*.

People when they see it, they will be able to appreciate the culture and what we practice in these three major ceremonies that we undertake. The two are going well. The *Na iLululu* drama and the *Lakovi*, they have been up by the Ministry of Education to be drama texts in the highest forms - Forms 5, 6 and 7. So, they are texts now in High Schools.

Then we did another one, *So Mate*. We did a research on *So Mate*, someone went around, we hired a consultant to go throughout the 14 provinces because of the way we are living now, there seems to be burden in terms of our traditional obligation. So, we just

went out and did a research; what is happening in terms of what we do when there is a death in the family.

The report is with us now but we just thinking of the means of disseminating it to the various stakeholders so we can appreciate what is really happening around the country in terms of *So mate*.

Traditional Folklore

The other one just to revitalize some traditional folklore because some of these folklore have got good messages in terms of good human behaviour. We have done two -

- Kalavo kei *Rakasala* (*Kalavo* is the rat and *Rakasala* is an indigenous bird. The friendship between the two who were trying to outwit each other and the message there is to try and be kind to each other rather than trying outwitting the other. It is in comic form and good for children, it may be just five pages.
- *Vakasala ei Rakasala* - the message is when you advise people you abide by your advice. Do not be sort of a hypocrite; do something and do the opposite. So those are the two comic strips that we have done and we are thinking of doing more. The stories are coming out from the Ministry, Institute of *iTaukei* Language and Culture and why we are putting them into this comic strips and later with the objective of making it into animation, because nowadays, if you want to reach the generation today, you have to reach them on hand phones (handsets).

Contemporary and relevant teaching

We have tied up with International Reading Association (IRA) of which the International Development in Oceania Committee (IDOC) is an associate of that one, and from that one we are able to assist primary school teachers in their skills of writing short stories and also how to tell these stories to children. We did one for the teachers in the West and one in Suva. In all 17 primary teachers they were just told how to write short stories based on whatever they see around them and when they present this to the children, they noticed a big difference. The attentiveness of the children was really there, because they can relate to the stories whereas some of the books that they have, they really cannot relate to them. That is what we have done. It is an ongoing thing, sort of going ahead. Last year two of the teachers attended a conference in Australia and one of them was awarded an award by the IDOC for the stories that she wrote. That is in terms of improving the writing skills and promoting the language in schools.

Funding the *iVola Vosa* App

Another one that we are working on now, we started from 2014, there is a Fijian Monolingual Dictionary called "*Ai Vola Vosa*". We also funded the first publication of this one in 2007. It contains over 25,000 Fijian words. What we are working on now is to make them into an App. We are well into the process of making it into an App now. So, maybe by August or September, we will launch it and people can just access it on the App. But we will try and have it bi-lingual too people can understand it in English. There will be some photos to help them identify what we are talking about. So, that also in progress.

The other one is Diploma in Pacific Vernacular Studies in terms of the Fijian language done at USP. We are funding the three teachers at USP to enable them continue this Diploma Program. Some years ago they were thinking of discontinuing this program. So we went in and told them, "okay we will fund it, they continued with it." We are now into maybe the fifth year of funding this program. Not only do we fund the teachers, we are also working with the Ministry of Education and told them because our purpose in order for us to promote this language, we have to capacity build the schools and to capacity build the schools you need to prepare the teachers. So we are working with them and we send teachers to undertake this Diploma course. What they do, we call it a Cohort Programs, we group teachers in terms of region; one group in Lautoka, group in Suva, group in Labasa and during the school holidays they attend two weeks training on this.

The Ministry of *iTaukei* Affairs also came to us and requested if their staff can also partake in this. So, there are two Cohort Training Programmes - one for the teachers and one for the Ministry of *iTaukei* Affairs. The first lot graduated last year and we are going onto the second lot now. We started this year and that is part of capacity building in terms of promoting the indigenous language so they can go and teach it the proper way.

Another thing that we undertook was Traditional Leadership and Management Training in all of the provinces and *tikina* in the country in collaboration with USP's Institute of Applied Science and the *iTaukei* Affairs Board. It took us five years to undertake this. We covered all the provinces, we did the training at provincial level and then at *tikina* level. We finished off last year and the feedback we got from that one, we have developed it into a program of about eight courses on traditional leadership and training. We have trialled it last year and it is to be offered as a Centre for Appropriate Technology at Nadave.

What we are working now is to make sure that the Institute of Higher Education gives its accreditation to this course before it is offered. So that is where we are in terms of leadership.

We also do a lot of publication on traditional wisdom and Intangible Cultural Heritage. There is a book on traditional medicine, "*Wai Vaka Viti*". We have reprinted that one due to

demand. We also reprinted the "*Ai Vola Vosa*", the dictionary that I mentioned. And also, we were asked to help to be an editorial system in a book that was launched by the Ministry of Education last year.

The lady responsible for this one, she is a linguistic by profession - a Doctor in Linguistic, she is with us, so she normally comes and consult us on all these things.

Another thing we are doing is the Archaeological Development. There is one ring ditch at Laucala Beach Estate and in collaboration with the National Trust; there is a community in the Laucala Beach. Fiji Museum, Nausori Town Council we are trying to develop this so we can preserve the site and also make it accessible to people to go and visit and even for tourists. So we are working on that one in terms of archaeological development.

Mandated Outlay Entrepreneurship, together with the stakeholders, we are thinking that once this Ring Ditch comes into operation, we get the traditional owners to be involved in the business, because there is a history to that place. The river that goes near the Golf Course there is known as Waidamudamu, signifying blood, when there was warfare there between the people of Kalabu and the people from Rewa. That thing will come out when we do the following process.

Those are in terms of Mandated Outlay.

Just for the record, what financial achievements we did in 2014 from all the investments. The Gross Revenue - \$7.1 million, Expenses from Ordinary Activities - \$2.1 million, mandated outlay over half a million dollars we went out on all the outlays that I have just mentioned. Finance cost is another half a million. Bulk of that is for the loan that we took out for the development of the Draiba Complex. So in all, the total expense for the year was \$3.1 million and a net profit of \$4 million which if you compare to 2013 it is a better performance than 2013.

Just in terms of the Balance Sheet, as I mentioned, we are given \$40 million and what we have done over the years, in 2014 the current asset is \$16.8 million, Fixed Asset \$79 million, Total Assets now in 2014 is \$95.4 million with the liability of \$11.9 million. Bulk of that is on the loan which is \$10.8 million, the others they are sort of normal liabilities.

There is the capital endowment that was given to us of \$40 million. These are the reserves; the reserve is basically the difference between cost and market value of our investments. So, there is a positive of \$13.5 million in terms of investments that we have got. The retained earnings that were retained from 2003 until now, that is about an 11-year

period, we have retained earnings of over \$30 million. So, total equities of \$83.4 million from the \$40 million that was initially given to us.

Just in terms of how we have utilised the funds. The four graphs on the left, those are the sources of funds. We got funds from the actual \$40 million that was given to us and the reserved that we have built up, the retained earnings and the borrowings. With that fund, how we have applied them, bulk of the application, if you noticed, it all went into investments. The fixed assets, you can hardly see the fixed assets. So, it is a very minor portion, the bulk of it we have put it into investment because that basically is our mandate. We are putting into investment to generate the return in order to function, to pay for the various activities in those posts to undertake.

These are the graphs that are also in the report. In terms of line graph, gross is on the top, over the years we have got operating expenses, mandated outlay and the net profit.

In terms of yield in terms of investment that we have done, the investments are divided into two major categories -

- Growth Assets
- Defensive Assets

Just very brief in terms of definition. Growth Assets is the one that also has value in terms of the asset themselves, the investment, like shares. For example, Fijian Holdings shares were given at a dollar and now it over \$3 so you got that growth element in it. Basically all the shares are classified as Growth Assets. Defensive Assets are the notes that I have mentioned because those assets hardly have growth but at the end of the term, you get your money back plus properties. So, in terms of investments, we classify them in two - growth and defensive and those are the returns that we get from there. The Growth Assets, you will notice there, it is sitting at around 8 percent, Defensive Assets is slightly higher than that and the total yield is also slightly more than 8 percent. So, that is in terms of the total that we are getting from investments in 2014.

In terms of Mandated Outlay where we have given the money to. Just in terms of graphs so we can appreciate it. Bulk of it has gone into language and culture, and leadership. We are slowly coming up with the heritage and indigenous knowledge that includes the Laucala Bay project that we mentioned.

Mr. Chairman, that is the end of my presentation on the slide, but I am most welcome to answer any questions that the Honourable Members might have.

MR. CHAIRMAN.- Thank you, Mr. Isoa. A very well presented report. Actually I am very impressed with the work you have been doing.

MR. I. KALOUMAIRA.- Thank you, Sir.

MR. CHAIRMAN.- We request if a copy of that presentation could be given to our Secretariat?

I am also interested as the Committee is already looking into the Heritage Bill, some of the heritage sites and cultural things that the Board is looking into. Maybe our Secretariat will liaise with you in regards to visiting those sites those sites to witness some of those cultural things that you have been doing, so that it is also put in our report while reporting back to Parliament.

Honourable Members, I will now allow if you have any clarifications to Mr. Isoa.

HON. A.T. VADEI.- Thank you, Mr. Chair. We must thank the presenter for the well-articulated report of 2014 that has been presented to us today. There are two questions that I need to ask -

- The current membership of the Board. In the report it states that a replacement for Mr. Pita Mawi is yet to be replaced. Have they got a replacement?
- On page 15, the teachers in Laucala, Lautoka and Labasa as well as officers in the Ministry of *iTaukei* who have been assisted with their tuition fees to undertake the Diploma in Pacific Vernacular Studies (Fijian) at USP to do their final three courses during the year. Successful teachers and officers will graduate next year in March. They have graduated, my question is, what will they be doing after that?

MR. CHAIRMAN.- Thank you, Hon. Vadei.

MR. I. KALOUMAIRA.- Mr. Chair, in terms of the two questions, the first one is in terms of the membership of the Board. Under the Act we should have eight members. You have noticed that there are only four in this report and to-date there are still four. The maximum term a member can serve is six years, of those in the report, only one is still serving now, the three have finished off their six years, one that continues serving is Mr. Apakuki Kurisiga, there are another three replacements so up till it still four. The

appointment is from the Minister who is the Honourable Prime Minister and also the Minister for *iTaukei* Affairs. So, we are waiting for him to make the other appointments.

MR. CHAIRMAN.- Thank you.

MR. I. KALOUMAIRA.- In terms of the second question, the people that we put on training are already working, like a sort of an in-service training. So the teachers continue teaching and the people from the Ministry of *iTaukei* Affairs continue working in the Ministry. They have graduated and gone back and continued with their work.

MR. CHAIRMAN.- Honourable Salote Radrodro.

HON. S.V. RADRODRO.- No.

MR. CHAIRMAN.- Honourable Dean.

HON. M.M.A. DEAN.- No.

MR. CHAIRMAN.- Honourable Singh

HON. B. SINGH.- The report speaks for itself and the total investment portfolio speaks for itself. I just like to know what is the total investment portfolio, local and international, and also what is the return on investments for 2014?

MR. CHAIRMAN.- Thank you, Hon. Singh.

MR. I. KALOUMAIRA.- (Inaudible)

MR. CHAIRMAN.- Thank you, Sir, for the clarification.

HON. S. V. RADRODRO.- Thank you, Mr. Kaloumaira for your comprehensive presentation. What I have noted that is not in the report is a description or maybe an explanation of companies in which the organization has bought shares from, particularly companies overseas. Like for us here, we do not really know the companies background to be able to gauge their economic stability. So, if some kind of background could also be included in the report.

MR. CHAIRMAN.- If you can take note of that and if that can be done in the future reports.

HON. S. V. RADRODRO.- I know you have got a few but you know some background information as to the company to be able to give us some kind of indication in terms of its economic sustainability.

MR. I. KALOUMAIRA.- As I mentioned the companies we invest in are based on our investment advisors in Australia. They are fully aware of who we are, the type of investment that we want, we are not there to play the market, we are there as long term player, conservative investor and only one is income strength. That is for the information of the Members. So, those are the guidelines for them, they will not put our investment in the high risk type of investments. Some of the companies I have mentioned in there, they are world-renowned. All the banks will know them here and we have got BHP and Rio Tinto also world-renowned. Bulks of the investments are in the top 20 in terms of capitalization in Australia. I will see what I can do in order to summarize it too.

HON. B. SINGH.- Mr. Chair, just an observation. On the Commonwealth of Australia, I think it is doing well in the market. I mean 18,000 shares as compared with the others like ANZ which is not doing that well - return on investment. In future if we could just look at help with our returns with Commonwealth than ANZ having more shareholdings dollar value which does not give enough return on investment compared to the Commonwealth of Australia.

MR. CHAIRMAN.- Thank you, Honourable Singh.

Mr. Isoa, you want to share some

MR. I. KALOUMAIRA.- The question is why we put more in Commonwealth and less on ANZ?

HON. B. SINGH.- Comparing ANZ with Commonwealth, Commonwealth has less units held, but better return.

MR. I. KALOUMAIRA.- At the time of investment, it also depends on the money that we took across and the value per share. ANZ was around 20, Commonwealth was way above. So, we are just trying to diversify our risks, not to put too much into one basket.

MR. CHAIRMAN.- Thank you, Sir.

Honourable Dean?

HON. M.M.A. DEAN.- Sir, the limitations on buying shares in a particular company, especially foreign base type. Your advisors or investors overseas provide you with the limitations that this is the number of shares, it is viable to buy or the Board decides that?

MR. I. KALOUMAIRA.- In terms of investments, they give us the advice with all the information and the rest of the information I just access on line. Information I get in terms of the Australian stock market is just 20 minutes delay. Whatever information I want to search, I go online and it is all there. They allow me that access because they are big. They give advice, I do my own assessments based on our access, pass what they gave me and I gave it to the Board.

MR. CHAIRMAN.- Thank you, Sir for the clarification. Just one last clarification or question from Honourable Vadei.

HON. A.T. VADEI.- Who all buy the shares from the *iTaukei* Land Trust Fund - the provinces, individual or business entity?

MR. I. KALOUMAIRA.- In terms of the money that we have used to buy shares, that is part of the capital endowment that was given to us by Government initially - \$30 million. If you see our capital endowment it is \$40 million which I mentioned in my presentation. Mr. Chairman, 10 is Class B shares and 30 were cash in 2002 and 2003. That \$30 million is the one that we have invested and from that \$30 million, if you will notice, we have grown the assets to \$95 million with a net value of \$83 million. The only debt there is \$11.9 million out of the \$40 million and \$30 million given to us.

MR. CHAIRMAN.- Thank you, Mr. Isoa Kaloumaira for the presentation. As I have said the Committee is really impressed with the way you have presented to us. Our Secretariat will liaise with you as far as the Bill we are looking into - Heritage Bill. We are also interested in the cultural information you have given to the Committee.

On behalf of the Committee, I once again would like to thank you for the presentation. This will really help us report back to Parliament. We will sit as a Committee

and then will make few recommendations, but we acknowledge the work you have been doing and I request that you join us for lunch.

Thank you, Sir, for the presentation.

MR. I. KALOUMAIRA.- Thank you so much, Mr. Chair and Honourable Members for allowing me to present to the Committee.

MR. CHAIRMAN.- Honourable Members, the Committee will meet at 9.30 a.m. on Monday, 13th June, 2016 so please avail yourselves as we will be going forward with the submissions as far as the two Bills are concerned – Rights of Persons with Disabilities Bill (Bill No. 12/2016) and Heritage Bill (Bill No. 10/2016).

HON. A.T. VADEI.- Same venue?

MR. CHAIRMAN.- If there is any change, our Secretariat will advise you with regards to the venue.

The Committee adjourned at 2.51 p.m.