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## **STANDING COMMITTEE ON SOCIAL AFFAIRS**

# **CONSOLIDATED REVIEW REPORT ON ITAUKEI TRUST FUND BOARD 2013 AND 2016 ANNUAL REPORTS**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 21 of 2018**

*Monday, 12<sup>th</sup> March, 2018*

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## CHAIRMAN'S FOREWORD

I am pleased to present the Committee consolidated review report on the assessment made to the iTaukei Trust Fund Board 2013 and 2016 Annual Reports.

The Committee assessed the iTaukei Trust Fund Board Consolidated 2013 and 2016 Annual Reports in accordance to Section 109 (2) (b) of the Standing Orders of Parliament.

In 4<sup>th</sup> October, 2017 the Committee invited the Chairman and management of the Itaukei Trust Fund Board for a presentation on their performance and to clarify few pertinent issues which focused on the following areas:

- Members of the Board
- Functions of the Board;
- Investments portfolio of the Fund;
- Mandated objectives (on language and cultural studies, Heritage and Indigenous Knowledge, Entrepreneurship and Leadership); and
- The Fund's Financial Statement.

The Committee noted in the report that the iTaukei Trust Fund Board's investment portfolio remains with shares and fixed income plus its properties. It was also noted that the Fund's overseas investment remains with the listed securities in the Australian Stock Exchanges. In Fiji, the Fund's investments are in a number of stocks which are listed in the South Pacific Stock Exchange and also in properties.

The Committee in its findings found that the Itaukei Trust Fund Board's local investment has not changed much from previous years and it still has FHL Class B shares and still have investment at:

- Amalgamated Telecom Holdings Limited (A)TH
- Pacific Green Industries (Fiji) Limited
- R. B. Patel Group
- BCN that is the BSP Bank – this is for local investors who would like to invest in shares, they can buy shares that as listed in the stock exchange; and
- Future Forest Fiji,

In addition, the Fund has investments in the Unit Trust of Fiji and the Fijian Holding Unit Trust on two products; in the form of income and growth fund.

The Fund highlighted that it has built up on its term deposits for equity purposes to taken care of their big projects that was planned. The Fund also has term deposits with:

- Westpac
- BSP
- Credit Corporation
- Merchant Finance

I thank the Honourable Members contribution towards the scrutiny of these two Annual Reports and the formulation of this bipartisan report.

Whilst, the Committee acknowledges the Fund's efforts towards the delivery of its mandated outputs with a net investments profit of \$4,557,171 achieved in 2016, however the Committee recommends that the Fund to consider gender balance within the composition of the Itaukei Trust Fund Board members.

In my capacity as the Chairman of the Social Affairs Standing Committee, I commend this review Report to Parliament.



**Hon. Viam Pillay**  
**Chairman of the Social Affairs Standing Committee**

## **RECOMMENDATION:**

1. The Standing Committee on Social Affairs has reviewed the iTaukei Trust Fund Board 2013 and 2016 Annual Report and recommends a gender balance within the composition of the Board.

## **INTRODUCTION**

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

The objectives of the iTaukei Trust Fund Board are intended to be charitable in purpose. They are to:

- Provide funding for the undertaking, promotion and sponsoring programs on Fijian Language, Culture and the Study of ethno- history and ethno-geography;
- Provide funding to boost the drive to invigorate and sustain at impact level, the management, leadership and entrepreneurial skills of the indigenous Fijians and Rotumans;
- Sponsor research into languages, art and culture of indigenous Fijians and Rotumans for the better understanding of their Culture and Heritage;
- Any other purposes approved by the Board which would be beneficial to the indigenous Fijians and Rotumans.

## **GENDER ANALYSIS**

Gender is a critical dimension to parliamentary scrutiny. Under Standing Order 110 (2) where a committee conducts an activity listed in clause (1), the Committee shall ensure full consideration be given to the principle of gender equality so as to ensure all matters are considered with regard to the impact and benefit on both men and women equally.

The Committee considered the issue of equal opportunity for all citizens including women and men during the consultation with the Chairman of the Itaukei Trust Fund Board and has been assured by the Board of its commitment in playing a significant role towards gender equality.

## CONCLUSION

To conclude, the Committee has examined the iTaukei Trust Fund Board 2013 and 2016 Annual Reports and commends the performance of the Board in promoting the interest, culture and rights of all iTaukei and Rotumans.

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**SIGNATURES OF MEMBERS OF THE SOCIAL AFFAIRS STANDING  
COMMITTEE**

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.....  
**Hon. Viam Pillay**  
(Chairperson)



.....  
**Hon. Veena Bhatnagar**  
(Deputy Chairperson)



.....  
**Hon. Salote Radrodro**  
(Member)



.....  
**Hon. Anare T. Vadci**  
(Member)



.....  
**Hon. Ruveni Nadalo**  
(Alternate Member for Hon. Mohammed M. A Dean)

## **APPENDICES**



## APPENDIX 1: POWERPOINT PRESENTATION BY THE ITAUKEI TRUST FUND BOARD



# Vision & Mission Statement

## 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



# Vision & Mission Statement

## VISION

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## MISSION

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



# Investments

## 2016 Annual Report

Notes 6,7 & 8 pages 35 -38

### Local Investments: Shares

Company	No of Shares	\$ Value	Income \$
▶ FHL (B class)	10,000,000	10,000,000	2,400,000
▶ ATH	5,000,000	6,350,000	400,000
▶ PGI	1,000,000	1,000,000	40,000
▶ RBG	4,000,000	12,600,000	600,000
▶ BCN	104,054	809,540	76,521
▶ FFF	200,000	full provision	12,848



# Investments (continued)

## Unit Trusts, Debit Notes & Term Deposits

Unit Trust	Units	\$ Value	Income \$
▶ UTOF (In & Grow)	159,387	274,146	9,043
▶ UTOF (Income)	217,531	217,531	7,248
▶ FHUT	835,804	635,21	49,325
Term deposits	\$ amount	Term	Income \$
▶ Westpac	6,693,991	1 year	76,316
▶ BSP	2,123,429	1 year	54,825
▶ Credit Corp	672,309	1 year	19,331
▶ Merchant Finance	1,601,628	1 year	52,905



## Investments (continued)

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



## Investments (continued) Shares

Notes 6, 7 & 8 pages 35-38 of the financial statements

Company	No of shares	\$ Value	Income \$
▶ ALS Ltd	37,143	338,479	6,481
▶ Amcor	30,000	676,675	25,296
▶ ANZ Bank	30,567	1,402,910	74,435
▶ BHP Billiton	17,435	659,205	10,795
▶ BT Investment	12,000	192,457	7,602
▶ Caltex	10,000	459,566	18,641
▶ CBA	12,522	1,556,937	79,778
▶ CYBG Group	20,805	151,298	-





## Investments (continued) Shares

Notes 6,7 & 8 pages 35- 38 of the Financial Statements

Company	No of Shares	\$ value	Income \$
▶ Macquarie	3,127	411,020	20,442
▶ Medibank	142,600	606,717	24,316
▶ <u>Monadelphous</u>	15,358	260,215	14,288
▶ National Australia Bk	23,220	1,074,468	69,974
▶ <u>Orora</u>	100,000	451,116	14,731
▶ Rio Tinto	8,831	495,847	28,179
▶ Sydney Airport	100,000	1,503,591	40,300
▶ Telstra	273,400	2,605,264	131,048



## Investments (continued) Shares

Notes 6,7 & 8 pages 35-38 of the Financial statements

Company	No of Shares	\$ value	Income \$
▶ <u>Transurban</u>	25,287	393,727	17,560
▶ Wesfarmers	11,300	718,439	32,605
▶ Westpac Bank	8,348	410,599	23,886
▶ Worley Parsons	5,065	74,279	-
▶ Woolworths	10,000	363,609	11,959



## Investments (continued) Listed Interest Securities

Notes 5, 6 & 7 pages 37-40

Company	No of notes	\$ Value	Income \$
▶ AGL Energy	750	113,156	8,061
▶ AFIC	1,000	150,875	10,425
▶ AXA	5,000		22,555
▶ Colonial	2,000	301,750	19,808
▶ NAB	1,000	150,875	9,016
▶ Origin Energy	1,495		13,598



## Investments (continued) Listed Interest Securities

Company	No of Notes	\$ Value	Income \$
▶ <u>Qube</u>	1,000	150,875	2,171
▶ Suncorp	1,000	150,875	7,386
▶ Westpac	1,000	150,875	7,242
▶ Woolworths	950	-	6,844
▶ APT Pipelines	935	150,847	9,583
▶ Goodman Plus	965	150,581	8,233



## Investments (continued) Properties

Note 10 pages 39 & 40

- ▶ Draiba Complex at Draiba fully tenanted by Government
- ▶ Phase II Development for a Cultural Centre
- ▶ 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 31/12/16 \$36,452,823. Gross rental \$2,875,120



## Investments (continued) Properties

Note 11 on page 40

- ▶ Investment in the joint venture with MCIF \$405,799
- ▶ For redevelopment: St Fort St and Stewart St properties
- ▶ Multi purpose commercial development. Hotel and retail center the core
- ▶ Agreement with the Carlson Group of Hotels for the development and management of the hotel.





# Mandated Objectives

## Language & Culture Studies

Projects on going and new

### Diploma in Pacific Vernacular Studies – Fijian: USP

- ▶ The second round of support for teachers and staff members of the Ministry of iTaukei Affairs commenced

### Fijian Language Lecturers Workshop

- ▶ Lecturers from the three Universities, Corpus Christi Teachers Training College and the Vosa Vakaviti Section of the Curriculum Development Unit of the Ministry of Education to be updated and refreshed on the recent directions of the Fijian language studies.

### Funding the iVolavosa App

- ▶ In collaboration with the iTaukei Institute of Language and Culture, the iVolavosa App into its final stages of development



# Mandated Objectives

## Language & Culture Studies (continued)

### Traditional Folklore

- ▶ To revitalize traditional stories and share meaningful and lessons in them. Reprints of comic strips 'Teri kei Kalava' and 'O Ra Kasala'

### Contemporary and relevant Teaching Aid

- ▶ International Reading Association (IRA) and its affiliate the International Development in Oceania Committee (IDOC) continue their support for the professional development of language teachers. Two teachers attended the NZ literacy Association Conference in Waitangi.
- ▶ Library books worth NZ\$12,000 donated to be distributed to schools affected by Cyclone Winston.





## Mandated Objectives Language & Culture Studies (continued)

Projects ongoing and new

### Diploma in Pacific Vernacular Studies – Fijian: USP

- ▶ The second round of support for teachers and staff members of the Ministry of iTaukei Affairs commenced.

### Fijian Language Lecturers Workshop

- ▶ Lecturers from the three Universities, Corpus Christi Teachers Training College and the Yosa Vakaviti Section of the Curriculum Development Unit of the Ministry of Education to be updated and refreshed on the recent directions of the Fijian language studies.

### Funding the iVolavosa App

- ▶ In collaboration with the iTaukei Institute of Language and Culture, the iVolavosa App is into its final stages of development.



## Mandated Objectives Language & Culture Studies (continued)

### Drama

- ▶ Drama text on 'Lakovi' and 'Na iLululu' (kau ni mata ni gone) and 'Ketekete Qele' text books for Forms 4-7.

### So Mate

- ▶ Findings from the research provided to the iTaukei Affairs Board to be presented at provincial and district levels.



## Mandated Objectives Heritage & Indigenous Knowledge (continued)

### Cultural Centre/Museum

- ▶ To be part of the Complex Phase II development.
- ▶ Content development continues at pace. A staff studying for her Masters of Arts in the Arts of Africa, Oceania and the Americas to prepare her for curatorial responsibilities.
- ▶ Professional relationship with overseas Museums and Universities maintained.
- ▶ Overall centre's framework written after rigorous consultation.
- ▶ Building consultants basically finalized project documentations.



## Mandated Objectives Heritage & Indigenous Knowledge

### Reprint of the 'Wai Vakaviti'

- ▶ At the request of the iTaukei Institute of Language and Culture.

### Archeological Development

- ▶ Ring ditch site Laucala Beach Estate in collaboration with National Trust, Laucala Bay Sustainable Society, Fiji Museum, Nasinu Town Council and South Pacific Tourism Organisation. TTFB the principal funder in addition to coordinating and driving the development.
- ▶ Development awaiting the research works on Ring ditch fortifications currently undertaken by the consultant, Mr Fergus Clunie, a former Director of the Fiji Museum.



## Financials Performance 2016 Income Statement Summary

	2016	2015
	\$	\$
Gross Revenue	7,513,347	9,218,720
<u>Less Expenses</u>		
Ordinary Activities	2,197,637	2,205,557
Mandated outlay	294,286	275,887
Finance cost	444,253	508,244
<b>Total Expenses</b>	<b>2,936,176</b>	<b>2,989,688</b>
<b>Net Profit from Operation</b>	<b>4,577,171</b>	<b>6,229,032</b>



## Financials Performance 2016 Balance Sheet Summary

	2016	2015
	\$	\$
▶ <u>Assets</u>		
▶ Current Assets	20,112,272	16,821,236
▶ Fixed Assets	83,963,978	82,333,409
▶ <b>Total Assets</b>	<b>104,076,250</b>	<b>99,154,645</b>
▶ <u>Liabilities</u>		
▶ Current Liabilities	1,414,848	1,191,110
▶ Non Current	9,020,181	9,963,949
▶ <b>Total Liabilities</b>	<b>10,435,029</b>	<b>11,155,059</b>
▶ <u>Equities</u>		
▶ Capital endowment	40,000,000	40,000,000
▶ Reserve	12,735,931	11,671,467
▶ Retained earnings	40,905,290	36,328,119
▶ <b>Total Equities</b>	<b>93,641,221</b>	<b>87,999,586</b>
▶ <b>Liabilities &amp; Equities</b>	<b>104,076,250</b>	<b>99,154,645</b>





## Graphs



## Graphs



## Graphs



## Budget vs Actual

	Budget	Actual
	\$	\$
<b>Revenue</b>		
Dividend Income	3,990,412	4,234,453
Interest Income	237,931	348,025
Rental Income	2,821,451	2,875,120
Publication	-	35,012
Management fee	-	18,000
Other income	8,000	2,737
<b>Total income</b>	<b>7,057,794</b>	<b>7,513,347</b>



## Budget vs Actual

	Budget	Actual
Expenses	\$	\$
Administration	346,819	377,703
Depreciation/Amortisation	487,437	505,469
loss on disposal		413
Mandated outlay	1,288,593	294,286
Publication Costs		18,063
Unrealised exchange loss	-	33,867
Other operating expenses	1,265,305	1,262,122
<b>Total Operating Expenses</b>	<b>3,388,154</b>	<b>2,491,923</b>



## Budget vs Actual

	Budget	Actual
	\$	\$
Revenue	7,057,794	7,513,347
Less		
Operating <u>Exepenses</u>	3,388,154	2,491,923
Finance Cost	444,315	444,253
<b>Net Profit from Operations</b>	<b>3,225,325</b>	<b>4,577,171</b>

Vinaka Saka Vakalevu.



## APPENDIX 2: VERBATIM NOTES

### **VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON WEDNESDAY, 4TH OCTOBER, 2017 AT 2 P.M.**

**Submittee:** *iTaukei* Trust Fund Board

In Attendance:

- |                                       |   |                                   |
|---------------------------------------|---|-----------------------------------|
| 1. Brigadier General Apakuki Kurusiga | - | Chairman                          |
| 2. Mr. Isoa Kaloumaira                | - | Chief Executive Officer           |
| 3. Ms. Apolonia Tamata                | - | Snr Culture & Heritage Specialist |
- 

ACTING CHAIRPERSON. - Thank you Honourable Members. Here with us again is the team from the *iTaukei* Trust Fund Board comprising of Brigadier General Apakuki Kurusiga, the Chief Executive Officer, Mr. Isoa Kaloumaira and the Senior Culture & Heritage Specialist, Ms. Apolonia Tamata.

Welcome to the Standing Committee for Social Affairs. With us here is Honourable Anare Vadei, Honourable Salote Radrodro and I standing in for the Chair who is sick at the moment. Thank you once again for coming in this morning so, please the floor is yours now, Sir.

BRIGADIER GENERAL A. KURUSIGA. - Thank you so much Sir, and Honourable Members for inviting us this morning to come and answer the questions raised to the *iTaukei* Trust Fund Board. We have to first acknowledge the welcoming of our team into the Committee. We have also provided you with last year's Annual Report which has most of the reports of the mandated and also the investment, those two roles that we play for *iTaukei* and Rotuma.

The answers and responses will be provided by the Chief Executive Officer, Mr. Kaloumaira to answer the questions raised. Thank you very much.

ACTING CHAIRPERSON.- *Vinaka*. Before we proceed with Mr. Kaloumaira, the floor will be yours and then the questions will come from the floor after your presentation. *Vinaka vakalevu*.

MR. I. KALOUMAIRA. - Thank you, Acting Chair. It is a privilege and honour to come and present again to the subcommittee this year in terms of last year's performance of the Fund. As usual, we are doing an overhead presentation. What we have also circulated there is a copy of the Annual Report plus an explanation of the various companies that we invest in. So, hopefully that will guide the Committee in their deliberation.

To start off with, just in terms of the Board, those are the current board members of the Fund. It is also in the Annual Report. Our Chairman is here with us and the rest of the members are there.



The vision has not really changed from when we last met here. The vision and the mission statement remains the same.

And those are the mandated objectives. The mandated objectives comes out of the *iTaukei* Trust Fund Act, so it is a legislated objectives that we pursue. Those are the same as the one that we presented here last year, it has not really changed because we really cannot change that, it has to be through an Act of Parliament.

Investment:

The initial capital outlay is still there, \$40 million. And those are the purposes of investment; to generate the rate of return to ensure the Fund is financially self-sustaining.

Objectives:

To fund the activities and projects that enables the Fund to fulfil its legislated objectives:

- Language and Culture study
- Entrepreneurship
- Leadership
- Heritage and Indigenous knowledge.

These are the four main areas under the mandated objectives.

So, in terms of investment first, the list of the companies are there, but in terms of the individual company, this is the one that I have just provided to you, Honourable Members. The local investment really has not changed much. We will have FHL Class B shares. We still got investment at:

- ATH
- Pacific Green
- R. B. Patel Group
- BCN, that is the BSP Bank. For local investors who would like to invest in shares, they buy that as listed in the stock exchange.
- Future Forest Fiji, we had bought the notes which we got converted into shares - 200,000, but unfortunately the plantation timber got affected by *Cyclone Winston*, so made a full provision on that.

That is all in the notes, 6, 7 and 8 on Pages 35 to 38 of the Annual Report.

We also invested in the Unit Trust of Fiji and Fijian Holding Unit Trust. Unit Trust of Fiji has got two products; the income and growth fund and also the income fund. We have investments in both. In the Fijian Holdings Unit Trust, they have the income and growth fund and we also have investments in that one.

We have term deposits with:

- Westpac
- BSP
- Credit Corporation
- Merchant Finance

We are building up our term deposits for the projects that we will cover, as have I mentioned here before; two of the big projects that we intend to undertake. So, what we are doing is to build up our cash in terms of our equity towards those projects. In terms of overseas investments, we have investments in the Australian Stock Exchange, this has not changed from what we did last year. But there are some movements in the shares that we bought and the notes. Those are the same list of companies that we have bought shares in. Brief descriptions of the companies are in the handout that I have given you.

The number of shares and values. Those values are now in Fiji dollars. This, I am just taking out of Notes 6, 7 and 8 of the Annual Report that has already been tabled in Parliament that is before us, for us to come and present to you.

There is another list of companies there. Number of shares, the value and the income that we have derived from all these shares in the last 12 months. I think that is the final list there of the companies. But the description of the companies are in those notes and if anyone would like to question later then we can go through the companies. Those are shares we have bought into those companies and we have what we call “notes”, these are like bonds. They float notes and they pay back within the term allocated. So, we bought notes too in these various companies that is listed there. It is also on Notes 5, 6 and 7 on Pages 37 to 40 of the Annual Report. These are all notes in the Australian Stock Exchange.

We only buy into notes that securities that are listed on the Stock Exchange, abiding by the requirements of the investment in the Act. Those are the companies that we bought notes from. The value of the notes and the income that we have derived in the 12 months to December, 2016.

In terms of properties, we only invest in properties here in Fiji, we do not go and invest in properties offshore. Offshore is only securities listed in the Australian Stock Exchange. These are Notes 10 on Pages 39 and 40. That is the Draiba Complex where the office is also based and it is fully tenanted by Government. Also mentioned in the report that we intend to do a phase two development for a Cultural Centre come Museum and we are working on that one. That is why we have been building up our cash in terms of term deposits towards this development.

There is also the Union Plaza that has got seven shops in town. This is the building in between Westpac and the General Post Office. We have investments in Radisson Blu, Denarau. We have two types of investments you can do at Denarau either you invest in rooms or the other one you buy all the other business areas apart from the rooms. Any other area of making business apart from the rooms, we own. That goes for the bar, tour desks, restaurants, massage parlours, conference facilities and all the shops. We own all those areas and it is all leased out to Radisson to operate it on our behalf. Also we have got properties in Suva, 16 St. Forte Street; 21 Stewart Street and 23 Stewart Street. They are also tenanted. They have got old buildings there, this is where we need to replenish and put a multi-storey building (mix commercial and hotel). That is part of the project that we intend to do.

So, as at December, the total value of properties is over \$36 million with gross rental of \$2.8 million; this is all coming out of the Annual Report. The Stewart Street properties and St. Forte Street properties, our intention as joint venture, I believe I mentioned this with the Methodist Church to develop the properties there. Basically that is the amount we have spent so far in the joint venture of \$400,000. We have also got into an agreement with the Carlson Group of Hotels to come and help develop and manage the hotel once we put that up. That is also on Note 11 on Page 40 of the Annual Report. That is on the investment side. The other major section is our mandated objectives. I will just present all these things, come question time then we will take turns in answering questions. It is all coming out of the Annual Report continuing with some of the projects that are ongoing there.

Diploma in Pacific Vernacular studies (Fijian Language). The first lot of students that we assisted, provided them scholarships, they have all graduated and now the second lot is going around under a cohort system where the teachers attend the training during their school breaks at the University of the South Pacific (USP) and for the staff of the Ministry of *iTaukei* Affairs, they go for a solid period of two weeks each to attend this. So that one is ongoing for the second round.

What we did also was to make sure that people understand the current system of Fijian language studies and ensure that all the higher learning institutions in Fiji teach the same thing. We got them over around November, December last year to come and organise the meeting. We all met at the Ministry of Education to make sure that they all tie up with the Curriculum Development Unit (CDU), if what the Ministry of Education wants as the way language has to be taught. And that we organised last year and they were quite appreciative of it. Representatives from the three Universities, Corpus Cristi, their trained teachers and also the CDU for the Ministry of Education.

And the other one is funding the *iVolavosa App*. This app is the monolingual dictionary on the *iTaukei* Language. It is into its final phase of development now, we hope to launch that shortly maybe in the next couple of weeks, so it can be available on handsets, computers and all the gadgets that we have. In terms of folklore, we have done the reprints of *Teri* and *Kalavo* and *O Ra Kasala*. These are in comics strips and it is quite popular with young children.

We have also done some more in terms of Contemporary and Relevant Teaching Aid. We have got this association with the International Reading Association and its affiliate that looks after the Oceania Region, International Development Oceania Committee (IDOC) there. We normally run workshops here with them for teachers out in the West and here in Suva. They attend and help them in teaching language in the proper context and also try and write up books that can be readers to help their own students in terms of contemporary things that they face up with today.

And last year, two teachers attended the New Zealand Literacy Association Conference in Waitangi. The year before, I remember I presented here, two teachers attended the one in Australia. They also contributed NZ\$12,000 worth of books to be distributed to some schools affected by *TC Winston*.

Drama – Those are the three dramas that we have done *Lakovi*, *Na iLululu* and *Ketekete Qele* and the Ministry has got them to be their text for Form 4 to Form 7 in terms of the Fijian language programme. We also did the *So Mate* research which we presented here last year, the finding has

come out and it is now with the *iTaukei* Affairs Board and it has been disseminated down to provincial and district levels.

Traditional Leadership – we are developing a curriculum on Traditional Leadership called the *Sauvaki ni Vanua* to be offered at Nadave this year. This curriculum is developed from the feedback received from the Leadership Training that we did at all provincial, *tikina* levels throughout the country. The programme went for about four years and from the feedback, the Committee made up of people from the Ministry, from the Fund and from USP sat through and developed the curriculum. We have already trialled it at Nadave and now we are just about to do the first lot of training. The Fiji Higher Education Commission has also granted its approval to the course and it has to be a Certificate Three-Year Level Course.

In terms of Heritage of Indigenous Knowledge, we have got the *Wai Vakaviti* - quite a popular book and we have reprinted the request of the *iTaukei* Institute of Language and Culture. It is available from our office for sale. I also mentioned here about the Ring ditch site at Laucala Beach Estate. That is still progressing with all the other stakeholders that are listed in there and we have already hired Mr. Fergus Clunie, a former Director of the Fiji Museum to do a research and we are waiting for a research from him before his group of stakeholders move forward again with the development on the Ring ditch. In the meantime it is still well protected by the Laucala Bay Sustainable Society.

As we mentioned, part of the project that we want to do is the Cultural Centre/Museum at this part of the commercial complex phase of development. There are two phases to this, whilst we are working on the actual building plans, we have also been working on content development to make sure that once the building is ready we have the content and all the systems ready to go. One of the staff was there last year doing her Masters of Arts in the University of East Anglia in England, she just came back this year. We have also established a professional relationship with museums and universities overseas and also with our museum here to make sure that by the time we open we have got all the know-how and the stuff that we need to have on display ready.

Also we have developed an overall framework for the museum come cultural center. After rigorous consultations, all those things are ready. So basically, the consultants are finalizing the project documentation and hopefully in the next couple of weeks we should be, if the Board is giving the final okay, we should be able to go for tender on that project.

In terms of Entrepreneurship, we mentioned this that once we have the Laucala Ring Ditch up and running, we are thinking of involving the traditional owners from the business end. We have also gone into partnership with the British Council in a programme called “Active Citizens”. This is to train members of the community especially those out in the rural to embark on social action and social enterprise projects, and that is another thing that we are doing in terms of Entrepreneurship Development. We also did a publication to help people understand to conserve their marine resources so they do not deplete it, so things could be sustainable in terms of our livelihood and even if they want commercial enterprises coming out of our marine resources. We published that book, *Living By the Sea* written by Dr. Joeli Veitayaki and the other group from USP.

So in terms of Financial Performance that basically is a summary of what is already in the paper there. Gross revenue of \$7.5 million, total expenses of \$2.9 million and net profit of \$4.5

million. And the balance sheet – total assets of \$104 million, liabilities of \$10.4 million and equities of \$93.6 million, so that is the balance sheet for the Fund.

In terms of fund utilisation basically what this is telling us is where are we getting the funds from and how are we utilising the funds. The source of funds was the capital that was given to us and the reserve that we have built up over the years and from the differences in our investments, the growth aspect to it, the return earnings that we have kept over the years and the liabilities, those are our source of funds. And where we have used those funds? Bulk of the use of the funds has been towards investment, as you can see in there, a bit of it on current assets and just a minor bit of it on fixed assets. Bulk of the funds that we are generating is all geared towards investments because that is basically one of the two major objectives of the Fund, to invest and to utilise it for the mandated objectives. So we are basically sticking to what is expected of the Fund.

In terms of income comparison over the years from 2012 to 2016, you can see the graph there. Gross revenue on the top, the operation expense is the orange line in the middle, mandated outline is the yellow and the net profit is the one in between. Basically this has been consistent, we really have not deviated much in terms of what kind of things we should do; that also is in the Annual Report. That is the yield comparison in terms of investments that we do. So basically we are sitting around over 8 to 9 percent over the four to five years that we are comparing here.

Mandated outlays, that is what we have done in terms of mandated outlays; language, heritage and indigenous knowledge and in leadership where we have distributed that money.

We have been requested to do a bit budget and actuals, so that is basically what we have come up with. Budget for Dividend Income is \$3.9 million, we got \$4.2 million; Interest Income of \$237,000 we have got \$348,000; Rental Income of \$2.82 million; we have got Publication income of \$35,000; we did not budget for it but we have decided to create that. There is also a Management fee of \$18,000 for managing the joint venture with the Methodist Church and other income of \$2,700 that makes up the total income of \$7.5 million.

In terms of expenses, Administration is \$346, 000 and \$377,000, we got in additional staff last year that is why the administration cost went up a bit.

Depreciation and Amortisation because of new investments into capital works. If capital increases the depreciation that is why depreciation went up. We got a loss on disposal, we were expecting some income but did not come through in terms of investments so it is just a paper entry that we did there. That is the mandated outlay, a budget of \$1.2 million but there was \$294,000; that was the impact of *TC Winston* that we were not able to run some of the cohort training which we were supposed to hold for the teachers. Publication cost of \$18,000 and unrealised exchange loss of \$33,000. Other operating expenses, basically as per budget is \$1.26 million and \$1.26 million. So a budget of \$ 3.3 million in terms of expenses, we incurred to \$2.4 million as actual. Again, that is what we have stated before.

The actual revenue better than budget and operating expenses; better than budget and financial cost in reducing debt level, the interest rate has also gone down. So a net profit of \$4.5 million against a budget of \$3.2 million.

Honourable Acting Chair, that is basically the presentation from the *iTaukei* Trust Fund this afternoon.

ACTING CHAIRPERSON.- Thank you, Mr. CEO for your presentation. I will now open the floor to the Honourable Members to ask any questions that they have. *Vinaka*.

HON. A.T. VADEI.- Thank you, Acting Chair. Can I kick start the question this afternoon? First of all I would like to thank the team for coming forward to present their 2016 Annual Report/ Financial Report and some of the activities that have been undertaken during the year.

I have three questions. May I refer you to Page 41 of your Annual Report on Item 19? There is an issue raised by the auditor on contingent liabilities. Can you explain some of the details explained there, I do not know how far you have gone through that arrangement to settle that long overdue case?

MR. I. KALOUMAIRA.- In terms of the question, I did mention that the parties agreed to get an independent expert to do the analysis and then make the presentation to the arbitrator; that has been done. He heard from both sides and should be submitting his findings to the arbitrator hopefully sometimes in mid this month and then the arbitrator will take it from there and will continue, hopefully wrap up that long outstanding matter.

HON. A.T. VADEI.- Thank you, Acting Chair. My next question is in relation to heritage sites. What sort of assistance in terms of financial and technical assistance is provided to some of heritage sites because I never saw in your presentation regarding the support that you provided to those various heritage sites? Am I asking the wrong question altogether or is it not in your mandated outlay?

MR. I. KALOUMAIRA.- Thank you, Acting Chair. In terms of the question, I did mention in the past that we are governed by what is in the legislation for us to do.

HON. A.T. VADEI.- My last question, Acting Chair, is on the Intellectual Property Rights (IPR) - the protection of tangible and intangible issues on indigenous arts, crafts, language, songs, et cetera. I did not see that in those reports on the protection of our indigenous art and craft, language as mandated by your institution to protect these issues.

MR. I. KALOUMAIRA.- Thank you, Honourable Acting Chair. In terms of the mandate, it is for us to promote the use of this language; that is what we are doing. In terms of protection, I believe that is under the Ministry of *iTaukei* Affairs.

ACTING CHAIRPERSON.- Thank you Honourable Vadei. Honourable Salote Radrodro?

HON. S.V. RADRODRO.- Thank you, Acting Chair. I thank the Chairman and the members of the team presenting to us this afternoon.

I would like to draw your attention to mandate Item No. 2 and it reads:

*“To provide funding to boost the drive to invigorate and sustain at impact level the management, leadership and entrepreneurial skills of the indigenous Fijians and Rotumans.”*



On that note, Honourable Acting Chair, as you know and we know time and again it has been raised in Parliament the challenges faced by indigenous (*iTaukei* people) in terms of getting engaged or benefitting in terms of business development. I see this institution, as according to your presentation and according to that mandate, that it is the mandate to be able to assist the indigenous people to be able to attain maybe through training, skills to be able to lift their standard of livelihood in terms of engaging in the business sector.

So on that note, what is the role or what has been undertaken by the Board in terms of realising that mandate? I give you this very simple example but this is the reality on the ground. When the Government gives out that \$1,000 assistance to people to be able to do some income generating activities, there is a group that had come to me and enquired where can they go for financial literacy training programme or some kind of business training to be able to assist them enter into the small business sector. In here, I see that is one of your mandates, so how has the Board been carrying out that role or what is the Board's specific role to be able to change the behavioural attitude in terms of helping the indigenous people to be more effective or to be more business driven? Thank you.

ACTING CHAIRPERSON.- Brigadier General, the floor is yours.

BRIGADIER GENERAL A. KURUSIGA.- Honourable Acting Chair, thank you very much. The Trust Fund as have been mentioned by the Chief Executive Officer deals with mandated requirements that are printed there on the report say on the Entrepreneurial skills. They will support any programmes that will be aligned to those things. The implementation or establishment of Advisory Unit is really under the *iTaukei* Affairs Board with the Ministry of *iTaukei* Affairs. The Advisory Unit, a commercial unit has been established earlier this year and the post had been advertised so that the right person is recruited into the leadership role and one of those things is to train *iTaukei* individuals and villagers to be more business minded. I am glad that the Honourable Member mentioned about the changing of attitude and that is really the overlaying objective; the changing of the mindset of our people. Thank you very much.

ACTING CHAIRPERSON.- Thank you, Sir. Any other questions, Honourable Salote Radrodro?

HON. S.V. RADRODRO.- Thank you. The investment looks very good but what are some of the challenges that the Board encounters in terms of those investments?

ACTING CHAIRPERSON.- Thank you, Mr. CEO.

MR. I. KALOUMAIRA.- Thank you, Acting Chairperson for the question. In terms of our investment, investment always has its own risks associated with it. So, what the Board does and the Fund does is to make sure we get proper advice in all the investments that we undertake. For overseas we have got our advisors who are advising us, they are from Morgans. Morgans is a retail broker and does all these things in terms of investment. They are one of the biggest retail brokers in Australia and all our investments in Australia deal with their guidance.

Locally, we normally seek advice when we do investments from the chartered accounting firm that handles our account which is PricewaterhouseCoopers. So, in those aspects we get their advice and then we send the paper to the Board. In that way we are able to try and negate or control the risks that are normally associated with investments based on the advices that we normally undertake and we normally continue reviewing investments. If there are any sudden movements that we think will affect the investments then we normally give the advice to the Board on what appropriate action to be undertaken.

The investment we have had so far has been good. If you will notice from the presentation the only one that we sort of created a provision on is Future Forest because of the impact of nature when *Tropical Cyclone Winston* affected the plantations.

ACTING CHAIRPERSON.- Thank you so much Mr. Kaloumaira. Honourable Vadei the final question. Thank you team, thank you once again for your presentation. There is just one question from me, this came up in your presentation last year and maybe Brigadier General Kurusiga will want to answer this question on *Somate*. How soon are you going to implement the *Somate*? Thank you.

BRIGADIER GENERAL A. KURUSIGA.- Mr. Acting Chairperson, thank you very much. The text has been taken down to the *Roko Tui* and then from there to the *mata ni tikina* for their comments on the tax that was given from the Trust Fund. I do not have the figures with me at the moment, how far that has gone from the Provincial Office. Perhaps I can find that out before informing you, Sir.

ACTING CHAIRPERSON.- Thank you once again Brigadier General Kurusiga, Chairman for the *iTaukei* Trust Fund, Mr. Isoa Kaloumaira, Chief Executive Officer and Ms Apolonia Tamata. Thank you so much for your presentation this afternoon. It is really appreciated, this will really help the Standing Committee on Social Affairs to present its recommendation back to Parliament. So, on that note, we have about 15 minutes left with us before the next presentation and I would like to invite you to join us for a cup of tea before you leave us this afternoon. *Vinaka saka vakalevu*.

**The Committee adjourned at 2.55 p.m.**