

APPENDICES

Appendix 1
Written Evidence Ministry of Forestry

Ministry of Forestry Responses to the Standing Committee on Natural Resources

Questions on the Department of Forestry 2014 Annual Report

No.	Question	Ministry of Forestry's Response																								
1.	Can the Department consider producing their Annual Reports by January the following year?	Yes. The Ministry has undergone a restructure and is now better placed to produce pending reports immediately and by January 2021.																								
2.	<p>Page 4 – Permanent Secretary's Foreword</p> <p>Can the Department identify the areas of success on the Sustainable as mentioned in the Permanent Secretary's Foreword?</p>	<p>Areas of success for 2014:</p> <ol style="list-style-type: none"> Successful SFM implementation in the Forestry Sector – Fiji Pine Limited was certified by the Forest Stewardship Council (FSC) for practicing Sustainable Forest Management in plantations and Tropik Woods being certified under Chain of Custody. The Forestry Department was instrumental in providing support letters to FSC to support the FPL's application for FSC and COC certificates. The Department also assisted in providing financial support for the certification process and undertaking awareness. Forest certification is a key component of Sustainable Forest Management. The Maritime Pine Package project was introduced in 2014 which will ensure the sustainable utilisation and management of maritime pine resources. This work started off with Cicia and Gau Islands. Assisting of SMEs to sustainably utilise waste wood from the forests (after log harvesting process) to produce wood products that would sell at a higher value. 																								
3.	Can the Department of Forestry explain how successful are the 4 SMEs assisted for maximum utilization of "waste wood" and how many have benefitted from this assistance?	<p>The four SMEs (cottage industries) that were established and assisted in 2015 are tabled below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #f4a460;"> <th style="text-align: center;">#</th> <th style="text-align: center;">Name</th> <th style="text-align: center;">Location</th> <th style="text-align: center;">Product & Service</th> <th style="text-align: center;">Total Value of Assistance From Subsidy</th> <th style="text-align: center;">Monthly Earnings</th> <th style="text-align: center;">No. of people employed</th> <th style="text-align: center;">Remarks</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">Latu's Artifacts</td> <td style="text-align: center;">Naulu, Nasinu</td> <td style="text-align: center;">Wood Carving Products</td> <td style="text-align: center;">\$6,419.00</td> <td style="text-align: center;">\$800- \$2,000</td> <td style="text-align: center;">2</td> <td style="text-align: center;">Currently Operating in Taveuni</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Gaunavinaka Handicrafts</td> <td style="text-align: center;">Nakasi, Nasinu</td> <td style="text-align: center;">Furniture & Wood Carving</td> <td style="text-align: center;">\$7,719.00</td> <td style="text-align: center;">\$1,600- \$3,000</td> <td style="text-align: center;">5</td> <td style="text-align: center;">Still operating in Nakasi</td> </tr> </tbody> </table>	#	Name	Location	Product & Service	Total Value of Assistance From Subsidy	Monthly Earnings	No. of people employed	Remarks	1	Latu's Artifacts	Naulu, Nasinu	Wood Carving Products	\$6,419.00	\$800- \$2,000	2	Currently Operating in Taveuni	2	Gaunavinaka Handicrafts	Nakasi, Nasinu	Furniture & Wood Carving	\$7,719.00	\$1,600- \$3,000	5	Still operating in Nakasi
#	Name	Location	Product & Service	Total Value of Assistance From Subsidy	Monthly Earnings	No. of people employed	Remarks																			
1	Latu's Artifacts	Naulu, Nasinu	Wood Carving Products	\$6,419.00	\$800- \$2,000	2	Currently Operating in Taveuni																			
2	Gaunavinaka Handicrafts	Nakasi, Nasinu	Furniture & Wood Carving	\$7,719.00	\$1,600- \$3,000	5	Still operating in Nakasi																			

No.	Question	Ministry of Forestry's Response							
		3	Artwood Pacific	Namoli. Lautoka	Wood & Metal craft	\$9,800.00	\$500-\$2000	4	Currently operating in Namoli Lautoka
		4	Serenity Investment / Eco Lumber Ltd	Manoca, Nausori	Furniture & Timber Products	Assisted in collaboration with Fiji Trade & Investment	\$2,000 - \$12,300	10	Currently operating in Manoca, Nausori
		<p>The Utilisation of Waste wood Project (UWP) of the Ministry continues to assist Forest related SME's every year. To date, the Ministry (through the UWP) has assisted a total of 19 SMEs since 2015.</p>							
4.	<p>Page 6 – Roles and Responsibilities How successful is the Fiji Forest Policy 2007 and has it undertaken any review for the past 13 years?</p>	<p>The 2007 Forestry Policy is still a guiding document for the Ministry to date and most of the objectives are embedded in the Ministry's 13 year Strategic Development Plan and the National Development Plan for implementation.</p> <p>A challenge for the Ministry is fully implementing the Policy as the 2016 Forest Bill, which was proposed to implement the Policy, is still not finalised to date. The 2016 Forest Bill had been tabled in Parliament in 2016 and had undergone 2 readings in Parliament.</p> <p>The Ministry has been advised to make a fresh submission on the said Bill; therefore the Ministry is reviewing the Bill to also address current needs. The Bill is envisioned to be completed in the next few weeks before it is resubmitted to the Solicitor General's office for vetting.</p> <p>Furthermore, the Forest Policy will also be reviewed in 2021 to ensure inclusion of Emission Reduction Policy direction, Climate Change, Environment Policies and SDG's currently not captured such as Gender.</p>							
5.	<p>Page 8: 2.3 – Forest Production Can the Department of Forestry explain why there was a decrease in the production of Mahogany from 59,319 m³ in 2014 to 57,463m³ in 2015? (Refer page 8 of 2015 Annual Report)</p>	<p>There was a decline of 1,856m³ in mahogany production between 2014 and 2015.</p> <p>Decline in production is due to many factors such as the weather conditions, natural disasters, access to markets, and viability of harvesting machineries. Logging companies cannot operate if it is raining as this is against the Fiji Forest Harvesting Code of Practice, an instrumental component of the licensing condition.</p>							

No.	Question	Ministry of Forestry's Response
6.	<p>Page 9: 2.3 – Downstream Process</p> <p>Can the Department clarify on the downstream processing in more detail?</p>	<p>Downstream processing in the forestry sector means adding value to the tree that is being harvested to further increase its quality and value. Downstream processing starts when converting logs into other products that are of higher value such as sawn timber, plywood, slabs, decking, mouldings, guitar components, wood chips, flooring.</p> <p>The Ministry of Forestry continues to support and encourage downstream processing in the Sector as this will reduce our reliance on imports and most importantly encourage our local companies to produce quality products. This will also increase productivity and create employment, hence contributing to economic growth.</p>
7.	<p>Page 10, 11 & 12 – Export and Imports</p> <p>Is the Department of Forestry planning to reduce imports through value adding, for example – plywood \$2.6m, posts \$73,822, poles \$2.5m, mouldings \$512,634, hardboard \$1.67m, cross arms</p>	<p>Reducing import bills and creating an export oriented sector is always a priority for the Ministry to foster economic growth.</p> <p>The Ministry continues to conduct trainings to the industry to improve compliance and quality of wood products ensuring that they are of quality standards and are accepted into markets.</p> <p>As for plywood, 2 additional ply mills (Hyoulin & Plyfiji) had been established since 2014 and the Ministry will continue to encourage such value adding businesses to reduce imports.</p> <p>For cross arms, there is currently no import substitution for this product at the moment due to non-availability of the right tree species to fit the purpose.</p> <p>For mouldings, this is where our work with SMEs and cottage industries come in and trying to build their capacity and knowledge to produce quality woodwork.</p> <p>For poles, most demands have now been fulfilled by Tropik Woods. If supply is an issue by Tropik Woods, then poles are imported. These are mainly for electricity poles which are imported by EFL. Import permits will be issued based on the confirmation from Tropik Woods that supply is not available with them.</p>
8.	<p>Page 15: 3.3.2 – Sustainable Forest Management Training</p> <p>Has the Department plans to reintroduce extraction of pine resins as another export commodity for Fiji? Does pine resin extraction have an adverse effect to the pine tree?</p>	<p>The Ministry of Forestry has recently received interest from an Australian based company wishing to set up a pine resin processing facilities in Vanua Levu. Instead of tapping standing trees, the company will buy logs and extract the resin from the logs and later process those logs into sawn timber or chips.</p> <p>Worldwide studies on the effect of resin extraction on pine growth shows contrasting finding. However, in Fiji's situation, it might be hypothesized that the severe damage caused by resin tapping alters a trees' sensitivity to climatic stressors, i.e by making pine trees more susceptible to extreme weather events like droughts since majority of our pine plantations are in the dryer zones of the Western and Northern Division. Experience from Fiji Pine plantations confirms that pine tree growth have been affected (dying) due to resin tapping.</p> <p>The interest shown by this Australian company is more modern in the sense that trees will be felled and resin extracted compared to tapping while the trees remains standing.</p>

No.	Question	Ministry of Forestry's Response										
		<p>Also the adverse effects are dependent on methodology of tapping. Slicing too deep into stems can cause mortality of trees. Removing resin over a period of time renders the wood brittle. Some trees stop producing seeds due to the shock when tapped. It is therefore ideal to have separate resin tapping plantations or to tap resin just before or soon after harvesting trees.</p>										
9.	<p>Page 20 – Establishment of Cottage Industries Can the Department explain to the committee on what can be done to increase the number of SME's and its revenue for the cottage industries?</p>	<ul style="list-style-type: none"> ✚ Increase the allocations of Forest Subsidy as the \$50,000 per annum grant is not sufficient. ✚ Develop agreements with big investors such as RUPs, R.C Manubhai, Vinod Patel & Courts for the small cottage industries to supply them with either components or small wood products. Example for components would be table legs, door or drawer knobs, roti board & rolling pin, mop handles etc. For products it can be shoe racks, small bookshelves etc. ✚ Training – the Ministry will continue to conduct trainings for current SMEs and new companies who wish to venture in doing business in the Forestry Sector. ✚ Increase SME's, incentives such as Capital to start up business, training and capacity building, public private partnerships, and find markets for SME's. 										
10.	<p>Page 21: 3.4.7 – Pine Woodlot Logging Package The Department to explain why there were no Native and Mahogany Private Woodlot Logging Package as compared to Pine Logging package?</p>	<p>The Pine Woodlot Logging Package was a project developed solely for the maritime islands after the Hon Prime Minister's visit to Gau in 2013.</p> <p>The Logging Package concept was introduced to support maritime communities utilise their matured pine plantation resources for the construction of their houses since logging contractors from mainland found it economically unprofitable to barge logs/timber across to mainland and sell. Cost of shipping made maritime pine unattractive. High cost to mainland contractors, leading to lower stumpage paid to maritime resource owners. Likewise, for housing on maritime islands, having timber barged across was more expansive, hence Government support to subsidize part of the operations through purchase of logging machines.</p> <p>The projects started initially for Gau and Cicia Island with the purchase of portable sawmill, treatment plant and tractor, construction of buildings and supply of wood working machines.</p> <p>The native and mahogany woodlot logging has been assisted through the Seed Capital Revolving Fund (SCARF) under the Fiji Development Bank. The Ministry provides the initial assessment of the application before it is sent to the FDB for final vetting and approval.</p>										
11.	<p>Page 21: 3.5.1 – Community Forest Development The Department to provide an update on the implementation of the six (6)</p>	<p>The 6 agroforestry plots are detailed below:</p> <table border="1" data-bbox="451 1727 1523 1993"> <thead> <tr> <th data-bbox="451 1727 521 1803">No.</th> <th data-bbox="521 1727 699 1803">Location</th> <th data-bbox="699 1727 792 1803">Total Area</th> <th data-bbox="792 1727 1133 1803">Type of trees/crops planted</th> <th data-bbox="1133 1727 1523 1803">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="451 1803 521 1993">1</td> <td data-bbox="521 1803 699 1993">Lomaivuna Sector 2</td> <td data-bbox="699 1803 792 1993">1 Ha</td> <td data-bbox="792 1803 1133 1993">Pineapple, <i>Kavika</i>, Kumquat, cVertiver, Cassava, Yams (<i>Koka</i> and <i>Ivi</i> were planted next to the fish pond)</td> <td data-bbox="1133 1803 1523 1993">Monitoring of these plots have not been undertaken for a while by the Ministry, however the team will conduct</td> </tr> </tbody> </table>	No.	Location	Total Area	Type of trees/crops planted	Status	1	Lomaivuna Sector 2	1 Ha	Pineapple, <i>Kavika</i> , Kumquat, cVertiver, Cassava, Yams (<i>Koka</i> and <i>Ivi</i> were planted next to the fish pond)	Monitoring of these plots have not been undertaken for a while by the Ministry, however the team will conduct
No.	Location	Total Area	Type of trees/crops planted	Status								
1	Lomaivuna Sector 2	1 Ha	Pineapple, <i>Kavika</i> , Kumquat, cVertiver, Cassava, Yams (<i>Koka</i> and <i>Ivi</i> were planted next to the fish pond)	Monitoring of these plots have not been undertaken for a while by the Ministry, however the team will conduct								

No.	Question	Ministry of Forestry's Response				
	agroforestry model?	2	Lomaivuna Sector 3	1 Ha	Mahogany (Boundary), Kumquat, Pineapple, Cassava, <i>Vudi</i>	its inspections in the coming weeks.
3	Lomaivuna Sector 6	4 Ha	<i>Vesi</i> , Calliandra, Vertiver, Pineapple, Kumquat			
4	Naitasiri Circuit farm, Navuso	1 Ha	Kavika, Kumquat, Calliandra, <i>Vesi</i>			
5	Batiki Island	1 Ha	Kumquat, Pineapple, Vertiver, Calliandra, <i>Vudi</i>	These demo plot was established by the Ministry of Agriculture, Forestry took part on Nursery Management that the training on the germination of seeds This was a collaboration between WCS, WWF, LANDUSE AND MOF)		
6	Wailoku Homes of Hope	1 Ha	Sandalwood, Kumquat, Calliandra, Cassava, Taro	Calliandra and Kumquat had survived except for Sandalwood we have Replanted it with fruit seedlings and native with the Soldiers from India as part of their community work in 2018		
		The Agroforestry plots are maintained by the landowners and they also harvest the fruits & crops for their own use.				
12.	<p>Page 22: 3.6.1 – Forest Parks, Recreation and Reserves</p> <p>Can the Department of Forestry explain why it cannot replicate the Colo-I-Suva Forest Park model to the Western and Northern Divisions for tourism purposes? How can this be dovetailed with</p>	<p>The Ministry had established the Nabalasere Ecotourism Forest Park in Ra through the GEF Project Funding on 29 September 2017. The Nabalasere Park is now being operated by the members of the Nabalasere village and is now an alternative source of income for the village. The community now caters for visitors (both local & foreign) who appreciate Fiji's natural beauty and forest environment and also want to experience accommodation at the village setting.</p> <p>Other existing Parks include Lavena and Bouma in Taveuni, Biausevu, Koroyanitu in Viti Levu, Vuadomo, Waisali and Nakawaga in Vanua Levu.</p> <p>The Ministry will continue to explore opportunities and collaboration with landowners for this type of ventures.</p>				

No.	Question	Ministry of Forestry's Response
	the cottage industry?	
13.	<p>Page 29 – Financial Statement: Independent Auditor General's Report</p> <p>What has the Department done to improve the 3 audit issues raised by the Auditor General as stated in the annual report?</p>	<p><u>AUDIT ISSUES</u></p> <p>1.Trading and Manufacturing Account</p> <ul style="list-style-type: none"> • The Ministry of Forestry has rejuvenated the TMA processes at the Timber Utilisation Division in Nasinu with the assistance from the Ministry of Economy- TMA Unit. • The Ministry is adhering to the TMA Policy and conducting stock takes on a quarterly basis. The annual stock is undertaken independently in consultation with the Office of Auditor General. • Office of the Auditor General and the Ministry of Economy staff are now invited to be present during the closing of stock take. • The Ministry has worked closely with Ministry of Economy - TMA Unit to reconcile previous years account balances and rectify long outstanding issues including monthly reconciliation. <p>2.Trading and Manufacturing Account Way Forward</p> <ul style="list-style-type: none"> • The unreconciled difference occurred due to unfinished processes and mispostings. • The Ministry has worked closely with Ministry of Economy - TMA Unit on reconciling previous years mispostings account balances and rectify these long outstanding issues. • Currently all postings are done at HQ and all requests must be approved by the Permanent Secretary for Forestry. • Reconciliation is done on monthly basis to ascertain the accuracy of the account between the bank balance, cash book and GL postings. <p>3. Trust Fund Account Statement of Receipts and Payments</p> <ul style="list-style-type: none"> • The Ministry does not have True trust account, the account was for the Ministry of Fisheries and it was transferred to Ministry of Fisheries during the separation of the two Ministries in 2016/2017.

Questions on the Department of Forestry 2015 Annual Report

No.	Question	Response
1.	<p>Page 9 – 2.3.2 Sawmill Production 2015</p> <p>Can the Department clarify the standard recovery rate for production of sawn timber? How can the Department improve on it?</p>	<p>The national recovery rate for the production of sawn timber is around 50% and depends on the diameter of logs processed around the country. The recovery rate depends on the qualifications of operators and the age of the processing facilities.</p> <p>This 50% is for primary processing only. The other 50% can be used for shorts etc.</p> <p>Yes, the recovery rate can be improved depending on size of logs, the way the saw cuts, experience of operator, etc. The current approach taken by the Ministry is to conduct</p>

No.	Question	Response
		<p>training to sawmills (saw-mill by sawmill basis) depending on recovery and recommending investments into value adding machines to reduce wastage.</p> <p>Offcuts and other waste (sawdust/shavings) from primary processing can be used for value adding</p>
2.	<p>Page 13 – 3.1.3 Monitoring, Compliance and Surveillance</p> <p>Can the Department explain to the committee whether the monitoring compliance and surveillance was conducted for Mahogany?</p>	<p>Monitoring compliance and surveillance on Mahogany plantations was undertaken by the Ministry since the implementation of the Fiji Forest Harvesting Code of Practice in 1990.</p> <p>With the finalisation of the Protocol for the Fijian mahogany brand, and the issuance of a separate and distinct Fiji Plantation Grown Mahogany Harvesting Code of Practice (“Code”), the FHCL took over the monitoring of all its mahogany plantations in Fiji. The Code applies specifically to the harvesting of plantation grown mahogany trees in all FHCL mahogany plantation land in Fiji.</p> <p>The Ministry of Forestry was later mandated to monitor mahogany woodlots outside the FHCL plantation, and which it continues to do to date.</p> <p>Currently, FHCL undertakes enforcement of the Harvesting Code in Mahogany plantations while the Ministry does it for mahogany woodlots outside FHCL leased areas. Ideally, companies should ensure taking up this role as part of their process. FHCL is currently preparing for Certification of their Forests and operations and MCS plays a large part in determining their compliance to FSC standards.</p>
3.	<p>Page 16: 3.2.3 - Publication of National Forest Inventory (NFI)</p> <p>Can the Department advise the committee on the progress of the Publication of National Forest Inventory (NFI) 2007?</p>	<p>An NFI Statistics Report was developed in 2017 but the actual NFI Report is yet to be completed. Currently, a Consultant is working on the NFI Report under the REDD+ Project, which is scheduled for completion before end of 2020.</p> <p>The same consultant is also engaged for the 2020 NFI which will be completed this financial year (2020-2021). Current status of the 2020 NFI is the progressing of the new methodology to be adopted, purchasing of equipment and finalising of logistics.</p>
4.	<p>Page 20: 3.4.1 – Research into Silviculture Practices of Native and Exotic Tree Species</p> <p>Can the Department brief the committee on how and who can participate to increase the interest in Agarwood products?</p>	<p>Agarwood has been planted in some areas in Fiji and the biggest plantation is at Dama in Ra of about more or less than 100 hectares. The seeds were introduced by World Forestry (Fiji) Pty Limited 15 years ago and it is the main source of all the remaining small scale Agarwood farming in the country.</p> <p>Currently, the Ministry is researching on the growth and the inoculation process in collaboration with potential investors to make this plant a success in the country. After the outcomes of this research, the Ministry will then be able to provide proper and better advice to the general public.</p>

No.	Question	Response
5.	<p>Page 32: 3.4.6 – Undertake research development on forest commodities</p> <p>Can the Department give an update on the research done on wood and non – wood species especially the African Tulip and Acacia? Evidently, these species have been a problem encountered by farmers today, are there plans to eradicate these species?</p>	<p>African Tulips and Acacia have the potential to be utilised as biofuel for co-generation. African tulips have been researched for light timber with less load bearing, interior uses, coffins, etc. Harvesting would be an issue as most are in catchment areas.</p> <p>Acacia is currently used for fuelwood, soil improvement. Developments are underway to do research on non-wood species such as sandalwood, fruit and nut oil eg. Sikeci. Forestry have also undertaken Research lesser known species.</p> <p>The Ministry will be assisting Fiji Pine Ltd to clear invasive species, including African tulips from their overgrown plantable areas. These invasive trees will be used in their power generating facility.</p> <p>The Ministry is working with the University of the South Pacific under the Ridge to Reef project to eradicate African tulip and Wadamu in the Waidina Catchment. This will include the testing of various methodologies in Delailasakau, Nasevou, Nadakuni and Wainawaqa in the province of Naitasiri. The whole purpose of this research is to increase stand improvement and to allow natural regeneration taking its own course. This work will commence in November, 2020.</p> <p>This will also provide farmers in a rural scale the possibilities of removing African tulip from taking over prime farming land. It should be noted also that wadamu is a totem to some parts of Fiji and also a herbal medicine.</p>
6.	<p>Evidently there is a wild creeper (wadamu/viliyawa) threatening forest growth. What is the Department undertaking to eradicate these plants?</p>	<p>Answer to part of this question is also answered in Q.5 above.</p> <p>Currently, there is no work being done apart from mechanical removal. The Ministry will also need to collaborate with Ministry of Agriculture on these weeds.</p>
7.	<p>Page 34: 3.4.8 – Procurement of Specialized forestry machines</p> <p>Procurement of Specialized forestry machines, evidently the machines were locked up in a house in Natokalau, Cicia (near the Fisheries Office). Can the Department explain why this is so?</p>	<p>The procurement of specialised machines was to assist rural maritime communities in the harvest and processing of their pine plantations. Residues left behind in the forest are to be manufactured for basic furniture for use by scheme owners. This also includes the portable sawmill and a tractor for the processing and extraction of timber from plantation areas. The operator of the portable sawmill is in charge of the mill while wood working machines are kept in a workshop in Natokalau village.</p>
8.	<p>Page 39: 3.6 – Forest, Parks, Recreation and Reserves</p>	<p>The Forest Act 1992 confirms the following:</p>

No.	Question	Response
	<p>Can the Department brief the committee the difference between the forest reserves, nature reserves, native reserves and other reserves with its purpose? How are the resource owners benefitting from these reserves?</p>	<p>1. Forest reserves shall be managed as permanent forests in order to provide on a permanent basis the optimum combination of benefits of protection and production of which they are capable.</p> <p>2. Nature reserves shall be managed for the exclusive purpose of permanent preservation of their environment, including flora, fauna, soil and water.</p> <p>Forest Reserves are mostly formally degraded forest land that was reforested and protected via declaration of the Forest Reserve. Taveuni is an exception that is native forest that is protected via declaration Forest Reserve. Taveuni Forest is Fiji's highest-ranking High Conservation Value Forest with numerous endangered species that only occur in Fiji and nowhere else on Earth, some of these species have also disappeared from other islands in Fiji.</p> <p>Forest Reserves are reserved for 'forestry purposes' – a balance of protection and production dependent on-site capability, while Nature Reserves are to be managed for 'permanent preservation'. De-reservation of both Nature Reserves and Forest Reserves can be carried out by the Minister for Forestry alone.</p>
9.	<p>Can the Department outline to the committee the resource owner's rights to use and access these reserves?</p>	<p>The Conservator of Forests has the right to authorise activities otherwise prohibited under the reserves.</p> <p>Nature Reserves are out of bounds.</p> <p>Forest Reserves can be used for subsistence purpose such as accessing streams for prawns, medicinal plants, etc. On Forest Reserves, landowners are encouraged to actively participate in creating business opportunities for visitors to the parks.</p> <p><i>Extract from 1992 Forest Act</i></p> <div data-bbox="557 1349 1515 1428" style="border: 1px solid black; height: 36px; width: 590px;"></div>
10.	<p>Can the Department brief the committee on the different rate per hectare/acre for renting of all reserves? (native, forest and nature reserves)</p>	<p>The Ministry pays \$67,000 annually to the Ministry of Lands for lease and compensation on reserves.</p>
11.	<p>Page 47 & 48 – Financial Statement: Independent Auditor General's Report Can the Department of Forestry explain the four</p>	<p><u>2015 AUDIT ISSUES</u></p> <p>1) TMA ACCOUNTS RECEIVABLES The TMA operates on a cash basis and the amount of \$5,745 of accounts receivable was due to processes not being completed during the posting of receipts into the FMIS resulting in misposting.</p>

No.	Question	Response
	audit issues and the plans to address these matters	<p>WAY FORWARD</p> <ul style="list-style-type: none"> Ministry has changed the FMIS AR posting of revenue /receipts to smart link posting which is error free and easy to reconcile. <p>Current Liability \$26,033</p> <ul style="list-style-type: none"> This is comprised of VAT, FNPF and company deductions which are due in period 01 of the new financial year. <p>WAY FORWARD</p> <ul style="list-style-type: none"> Ministry is reconciling all the deductions on a monthly basis and payments are made to the vendors accordingly. <p>2) Unreconciled amount between FMIS and general ledger.</p> <ul style="list-style-type: none"> The Ministry is preparing bank reconciliation on monthly basis and any error or Misposting rectified is journalized in the same month. <p>3) TMA closing stock</p> <ul style="list-style-type: none"> Ministry is following the TMA policy and conducting stock take on quarterly basis. The annual stock is undertaken independently in consultation with the Office of Auditor General. The annual stock take certificate is than signed and dated by the officers undertaking it and submitted to Ministry of Economy. <p>3) Trust account statement of receipts and payments</p> <ul style="list-style-type: none"> The Ministry does not have True trust account, the account was for the Ministry of Fisheries and it was transferred to Ministry of Fisheries during the separation of the two Ministries in 2016/2017.

Appendix 2
Supplementary Response
Ministry of Forestry



Ministry of Forestry Responses to the Standing Committee on Natural Resources

Supplementary Questions on the Department of Forestry 2014 & 2015 Annual Report

No.	Question	Ministry of Forestry's Response
1.	<p>Monitoring Mechanisms</p> <p>The Committee would like to know as to how the Ministry keeps account of all its assets. For example, the wood working machines issued to rural villages such as the one in Natokalau village? How does the Ministry monitor and keep track of the wood working machines issued. How long has the machines been kept at Natokalou village?</p>	<p>The Ministry currently has an updated Fixed Assets Register (FAR) that is being maintained and monitored by its Procurement Adviser, a position recently created in 2019 by the Ministry to ensure all procurements by the Ministry are done in the appropriate manner, recorded in the Register and monitored accordingly.</p> <p>The assets recorded in the FAR are monitored / inspected on an annual basis during its Board of Survey.</p> <p>The latest project site visitation in Cicia Island was made in the 2019-2020 financial year.</p> <p>The machines in Cicia were purchased in 2015 with the objective of assisting the Cicia Pine Scheme owners (5 villages) harvest their matured forest resources for their livelihood. Since 2015, many households were assisted with the development and renovation of their houses with the use of their matured trees. A total of 28 houses (including 4 extensions) have been completed since 2015.</p> <p>Given the location of the Cicia project site and to better manage government spending, the Ministry through its Maritime islands project coordinators as well as the Fiji Pine Trust (FPT) in their own project site visitation, are also able to monitor and keep track of all machineries in the island. Furthermore, Cicia Island also has a trained Forest Warden and a certified Portable sawmill operator who look after the daily forest operations and report back to the Ministry on a quarterly basis.</p> <p>In this financial year (2020-2021) the Ministry has granted \$745,102.00 to FPT, an extension arm of the Ministry assisting Pine Schemes in Fiji. One of FPT's objectives is to support the Cicia Pine Schemes in harvesting, processing and reforesting their land for future generations; this is especially to landowners who are willing to allocate land for pine plantations. The Ministry and FPT will collaboratively work to continue supporting the Pine Schemes in Cicia with the available resources allocated to achieve the initial goal set by the Ministry.</p> <p>The Ministry of Forestry now has a Standing Operating Procedure for Fixed Assets Management and is also now developing contractual agreements with communities for the use of government assets, in order to safeguard the interests of both parties while pursuing common goals for economic empowerment and improved livelihood.</p>

Appendix 3

Annual Report Summary for Department of Forestry for the Year 2014 and 2015



Department of Forests 2014 Annual Report Summary

For Standing Committee on Natural Resources

Vision “Our Future Generation will inherit a Prosperous and Enhanced Forestry Sector”

Mission “Improving Livelihood through SMART Polices on Sustainable Management of Forestry Resources”

Principal Activity

The Department is responsible for the:

- Implementation of the Forest Policy 2007
- Administration and enforce Forest Legislation
- Ensure conservation, sustainable utilization and management of forest resources
- Approve and issue forest related licenses
- Provide training, extension services and research
- Coordination with key stakeholders including forest resource owners

Organization Structure

The Department is headed by the Conservator of Forests with a total staff of 184 out of which 100 are established, 58 are wage earners and 26 project staff to facilitate the timely delivery of project outputs.

Budget Allocation

The Department was allocated a total of \$5.5m for operational expenditure and \$1.6m for forestry capital projects.

Financial Position

Items	\$2014	\$2013	Comments
Total Receipts	1,829,611	1,242,781	Total revenue increased by \$586,830 or 47% in 2014 compared to 2013 mainly due to the increase in revenue generated from native timber measurement, vessel registration and miscellaneous revenue.
Total Operating Expenditure	13,159,888	11,232,428	
Total Capital Expenditure	4,817,483	4,011,113	
Total Expenditure	19,272,832	16,412,314	
Total Current Assets	89,422	144,295	
Total Current Liabilities	5,197	(12,610)	
Net Assets	84,225	156,905	
Total Equity	8,426,778	9,514,099	



Other Relevant Information

Forest areas and its coverage within Fiji:

Forest Type	Western (Ha)	Central/Eastern (Ha)	Northern (Ha)	Total (Ha)	%
Native	341,625	314,360	227,170	883,156	82
Pine	42,431	6,367	29,117	77,915	7
Mahogany	8,873	36,961	13,714	59,548	6
Mangrove	14,273	15,053	24,864	54,189	5
Total	407,202	372,741	294,865	1,074,808	100

Forest Reserves: 29,059.6 (Ha)

Nature Reserves: 5,737.83 (Ha)

Other Parks & Reserves: 17,004.5 (Ha)

Forestry Exports for Fiji: FJ\$80,590,082

Forestry Imports for Fiji: FJ\$17,965,394.60

Projects Undertaken:

1) Sandalwood Development Program:

For 2014, \$100,000 was approved by Ministry of Finance for the project. Key achievements included 13 communities empowered on sandalwood resource development and the communities included Naiviqiri (Bua), Narailagi (Cakaudrove), Dakuni & Rakua Village (Beqa), Kavewa Island, Namako and Nubunilagi (Macuata), Nasoso (Nadi), Draubuta (Navosa), Korobebe Village (Ba), Mataqali Waivola (Tailevu), Kumi (Tailevu) and Nayawa Village (Nadroga). Replanting of sandalwood in the natural distribution sites and potential sites to promote the species for cultivation and these included all the seedlings that were sourced and distributed from state nursery (Silviculture Research Division) at Colo-i-Suva for field cultivation. In addition, it also includes areas that were planted by private nurseries and private owners all over the country. From the state owned nursery, a total of 2,306 seedlings were distributed out to the public for field planting.

2) Establishment of Cottage Industries:

Total of four small cottage industry established under the project that are operating as a small micro business enterprise creating employment opportunities for additional 50 personnel and increase returns of \$100,000.00 per annum.

Cottage Industry	Revenue Collected
Rara Nacovu Wood Products	\$5,340.00
Latus Artifacts	\$1,280.00
Gaunavinaka Handicrafts	\$1,134.00
Mukesh Upholstery	\$530.00



3) Pine Woodlot Logging Package:

The purpose of this project is to assist the people of maritime islands to utilize their forest plantation resources for the construction of their houses. The Prime Minister, during his visit in early 2013 approved the acquisition of portable machines for the people of Gau and Cicia to cut their pine plantations on order for them to build their houses from the sawn timber. The total project budget allocation for 2014 was \$1,080,000. Lessons learned from this project will enable the Department to replicate the project to other maritime islands in need of similar assistance. Once the project activities has been completed on Cicia and Gau Islands the DoF will develop and document models that could be replicated on other maritime islands where the Pine resources are sufficient for development. The proposed sites for maritime islands Pine woodlot logging package assistance are Moala, Matuku, Kadavu and Beqa Islands.

Royalty Rates & Classes:

Class	Royalty Rate/m3	Fees/m3
1	\$45.00	\$5.00
2	\$37.00	\$5.00
3	\$12.00	\$5.00
4	\$7.00	\$5.00
5	\$5.00	\$5.00
6	\$5.00	\$5.00
7	\$5.00	\$5.00

Licensed Treatment Plants: 17

Unlicensed Treatment Plants: 5

Auditor’s Opinion (Auditor General)

Basis for Qualified Opinion

Trading and Manufacturing Account

1. Included in the Trading and Manufacturing Account (TMA) Balance Sheet are TMA Surplus Capital Retained of \$202,067, TMA Accumulated Surplus with debit balance of \$51,529, Deposits and Deductions of \$5,196 and Accounts Receivable of \$5,745. The Ministry did not provide appropriate audit evidences to support the balances. As a result, the Auditor was not able to ascertain the accuracy and completeness of the Trading and Manufacturing Accounts as at 31 December 2014.
2. There is an un-reconciled difference amounting to \$19,079 between the FMIS General Ledger cash balance and the TMA bank reconciliation statement. Accordingly, the Auditor was unable to ascertain the accuracy and completeness of the TMA Cash at bank balance of \$65,947 as at 31 December 2014.

Trust Account Statement of Receipts and Payments

3. The closing balance of the Trust Account Statement of Receipts and Payment of \$135,726 did not correspond to the FMIS General Ledger resulting in an un-reconciled difference amounting to \$1,154,989. Accordingly, Auditor was unable to ascertain the accuracy and completeness of the Main Trust Fund balance as at 31 December 2014.



In auditors opinion, except for the matters referred to in the Basis for Qualified Opinion paragraphs,

- (a) the financial statements present fairly, in accordance with the accounting polices stated in Note 2, the financial performance of the Ministry of Fisheries and Forests for the year ended 31 December 2014; and
- (b) the financial statements give the information required by the Financial Management Act 2004 in the manner so required.

Gender Analysis

No information on Gender was provided in the Annual Report.

01 May 2017

Disclaimer

The Department of Forests 2014 Annual Report Summary was prepared to assist the Standing Committee on Natural Resources in its review of the Department of Forests 2014 Annual Report. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Report. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any references or links to, or the content of, information maintained by third parties. Other sources should be consulted in the review of the Report.



Forestry Department 2015 Annual Report Summary For Standing Committee on Natural Resources

Vision “Our Future Generation will inherit a Prosperous and Enhanced Forestry Sector”

Mission “Improving Livelihood through SMART Polices on Sustainable Management of Forestry Resources”

Principal Activity

The Department is responsible for the:

- Implementation of the Fiji Forest Policy 2007
- Administration and enforce Forest Legislation
- Ensure conservation, sustainable utilization and management of forest resources
- Approve and issue forest related licenses
- Provide training, extension services and research
- Coordination with key stakeholders including forest resource owners

Organization Structure

The Department is headed by the Conservator of Forests with a total staff of 227 out of which 118 are established, 68 are wage earners and 41 project staff to facilitate the timely delivery of project outputs.

Budget Allocation

The Department was allocated a total of \$6.2m for operational expenditure and \$4.8m for forestry special expenditure and capital projects.

Financial Position

Items	\$2015	\$2014
Total Receipts	3,543,597	2,164,591
Total Operating Expenditure	14,767,751	13,159,888
Total Capital Expenditure	6,419,193	4,817,483
Total Expenditure	22,892,886	19,272,832
Total Current Assets	77,781	89,422
Total Current Liabilities	26,033	5,197
Net Assets	51,748	84,225
Total Equity	51,748	84,225

Other Relevant Information

Forest areas and its coverage within Fiji:

Forest Type	Western (Ha)	Central/Eastern (Ha)	Northern (Ha)	Total (Ha)	%
Native	125,349	226,794	174,310	526,453	75
Pine	42,431	4,623	29,117	76,171	11
Mahogany	8,873	36,391	13,714	58,978	8
Mangrove	2,823	14,914	24,864	42,601	6
Total	179,476	282,722	242,005	704,203	100



Forest Reserves: 29,059.6 (Ha)

Nature Reserves: 5,737.83 (Ha)

Other Parks & Reserves: 17,004.5 (Ha)

Forestry Exports for Fiji: FJ\$100,210,755.43

Forestry Imports for Fiji: FJ\$15,294,427.82

Projects Undertaken:

1) Forest Restoration Trial in Degraded Areas

Two Forest Restoration Plots were established at Nanukuloa (March 2015) and Yavuna (July 2015). The objective was to study performances of different tree species in degraded sites and response of plants to various silvicultural treatments.

2) Mixed-Species Woodlot Trial

This project is an 'on-farm' research activity and targeted for farmers who have surplus land which could be utilized to grow mixed-species of high-value trees to produce top grade cabinet timber and maximize returns from the land. Two trials were established, in Colo-I-Suva (March 2015) and in Mrs. Salochna Wati's farm in Vaqia, Ba (December 2015).

3) Sandalwood Spacing Trial

No proper spacing trial has been done on sandalwood in Fiji. In this trial, 3 spacing are compared: 3mx3m, 4mx4m, 6mx3m. Trial plots were established in Kumi (July 2014), Wainiyabia (August 2014) and Colo-I-Suva (December 2014). The objective is to establish a spacing trial for studying the effect of spacing on the growth of sandalwood, and for demonstration.

4) S. yasi Clonal Seed Orchard (CSO) and Gene Conservation Area (GCA)

Study on Genetic Diversity of Native Sandalwood (S.yasi) in Fiji and Tonga. In this project CSIRO in collaboration with SRD and Tonga Forestry Department conducted this research activity to characterize and quantify the genetic diversity of native sandalwood (Santalum yasi) in Fiji and Tonga for use in future tree improvement and germplasm conservation programs.

5) PSP Assessment – Drawa SFM Project

The Drawa Sustainable Forest Management (SFM) project is a model progression from the NFMPP at Nakavu. The objective is to improve guidelines for reduced impact logging and silvicultural principles which was developed from experience during the NFMPP. The 2 yearly tree assessment was undertaken at the Drawa Project Area from 28/12 - 8/10/15.

6) Involvement of women with sandalwood resource development programs

2015 marked the involvement of women in the establishment and management of sandalwood projects. Three sites were targeted this year, however only 2 sites were achieved, namely Namaqumaqua Village and Soqosoqo Vaka Marama/Nadroga/Navosa.

7) Undertake research development on forest commodities

The purpose of this project was to research into the potential of wood and non-wood species for import substitution, value adding and export purposes. It is estimated that 60% of rural communities depend on these non-wood species and presently have not determined its full potential for marketing and value adding. The Timber Utilization Division (TUD) has been provided with \$150,000 to implement the fourth year of the "Research and Development of Wood and Non-Wood Species" project.

8) Utilization of Wood Project

The purpose of this project is to create product development manuals and methodologies for the enhancement of waste wood (crown, roots, branches and stump) into finished wood products to maximize timber utilization with the hopes of creating an industry by training interested individuals and forestry landowners. The project proposes to utilize the unutilized portion of trees and timber normally left behind after harvesting and processing.

**9) Forest Subsidy Programme**

The department was allocated \$50,000 in 2015 to support the Small Meidum Enterprises (SME's) such as the wood carvers to boost their production and contribute more towards the economic growth. Also, the purpose of this scheme is to drive wood carving business in Fiji from an informal platform to a formal business platform that will enable it to move even further in contributing to Fiji's socio-economic development.

Royalty Rates & Classes:

Class	Royalty Rate/m3	Fees/m3
1	\$45.00	\$5.00
2	\$37.00	\$5.00
3	\$12.00	\$5.00
4	\$7.00	\$5.00
5	\$5.00	\$5.00
6	\$5.00	\$5.00
7	\$5.00	\$5.00

Licensed Treatment Plants: 22

Unlicensed Treatment Plants: 2

Auditor's Opinion (Auditor General)**Qualifications****Trading and Manufacturing Account**

1. Included in the Trading and Manufacturing Account (TMA) Balance Sheet is Deposits and Deductions of \$26,033 and Accounts Receivable of \$5,745. The Auditor was not able to verify the amounts as the Ministry did not provide appropriate audit evidences to support the balances. As a result, the Auditor was not able to ascertain the accuracy and completeness of the Deposits and Deductions and Accounts Receivable reflected in the Trading and Manufacturing Accounts as at 31 December 2015.
2. There is an un-reconciled difference amounting to \$20,320 between the FMIS general ledger cash balance and the cash book balance. There was no bank reconciliation performed by the Ministry. Accordingly, the Auditor was unable to ascertain the accuracy and completeness of the TMA Cash at bank balance of \$62,115 as shown in the TMA Balance Sheet as at 31 December 2015.
3. Included in the TMA Trading Account is Closing Stock of Finished Goods of \$2,599 and Closing Raw Materials of \$7,322. Auditor was unable to ascertain the accuracy and completeness of Closing Stock of Finished Goods as the Ministry did not carry out an independent stock take for the year ended 31 December 2015.

Trust Account Statement of Receipts and Payments

4. The closing balance of the Trust Account Statement of Receipts and Payment of \$193,634 did not correspond to the Cash at Bank FMIS general ledger balance of \$79,641. Accordingly, Auditor was unable to ascertain the accuracy and completeness of the Main Trust Fund balance as at 31 December 2015.



In auditor's opinion:

- (a) except for the matters referred to in the qualification paragraphs, the financial statements present fairly, in accordance with the accounting polices stated in Note 2, the financial performance of the Ministry of Fisheries and Forests for the year ended 31 December 2015; and
- (b) the financial statements give the information required by the Financial Management Act 2004 in the manner so required.

Gender Analysis

No information on Gender was provided in the Annual Report.

01 May 2017

Disclaimer

The Forestry Department 2015 Annual Report Summary was prepared to assist the Standing Committee on Natural Resources in its review of the Forestry Department 2015 Annual Report. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Report. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any references or links to, or the content of, information maintained by third parties. Other sources should be consulted in the review of the Report.