

## Budget 2018–2019 Head No. 4: Ministry of Economy

### Background

The Ministry of Economy ('Ministry') is responsible for managing public finances in accordance with the Constitution and the *Finance Management Act 2004*. The Ministry is comprised of a number of divisions responsible for matters such as the Budget, fiscal policy and research, climate change and national statistics.

The 2018-2019 Budget sees a **\$5.9 million** increase in operating expenditure for the Ministry, **\$2.0 million** of which will fund the 2018 Household, Income and Expenditure Survey (HIES) which is implemented by the Fiji Bureau of Statistics. The Ministry has also seen a decrease in capital expenditure of **\$1.8 million**.

### Trends

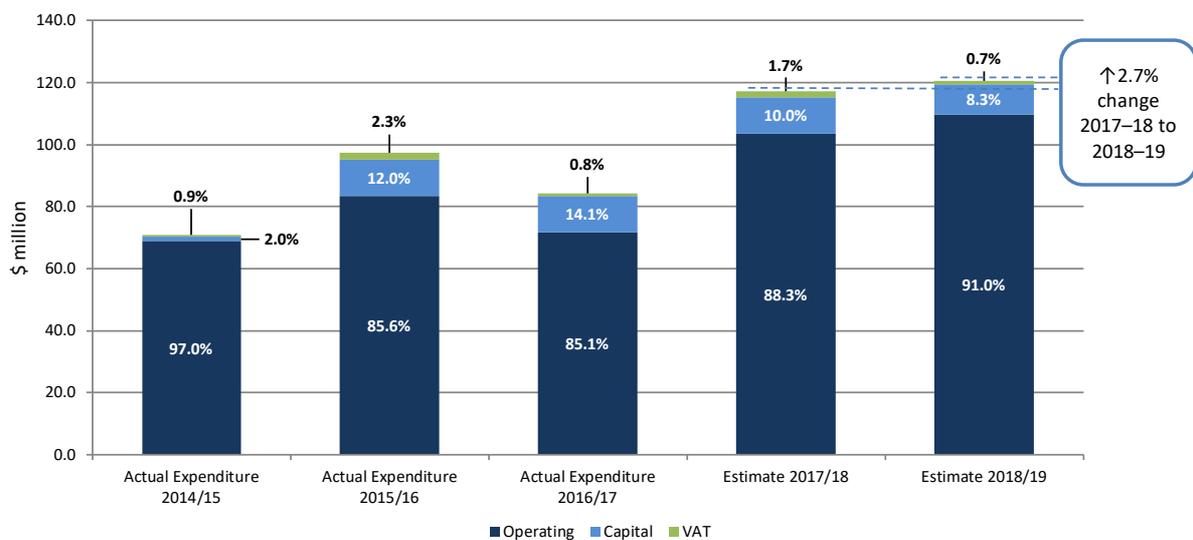
The Ministry allocation for 2018-2019 totals **\$120.4 million**, comprising **\$109.6 million** for operating expenditure and **\$10.0 million** for capital expenditure. The total allocation represents an increase of 2.7 per cent on the last financial year (**\$3.2 million**), and is mainly attributable to:

- An increase in the grant for the Fiji Revenue and Customs Service by **\$15.8 million**;
- A **\$2.0 million** increase to cover adjustments in salaries and wages; and
- An increase in the grant to the Fiji Aftercare Fund of **\$700,000**.

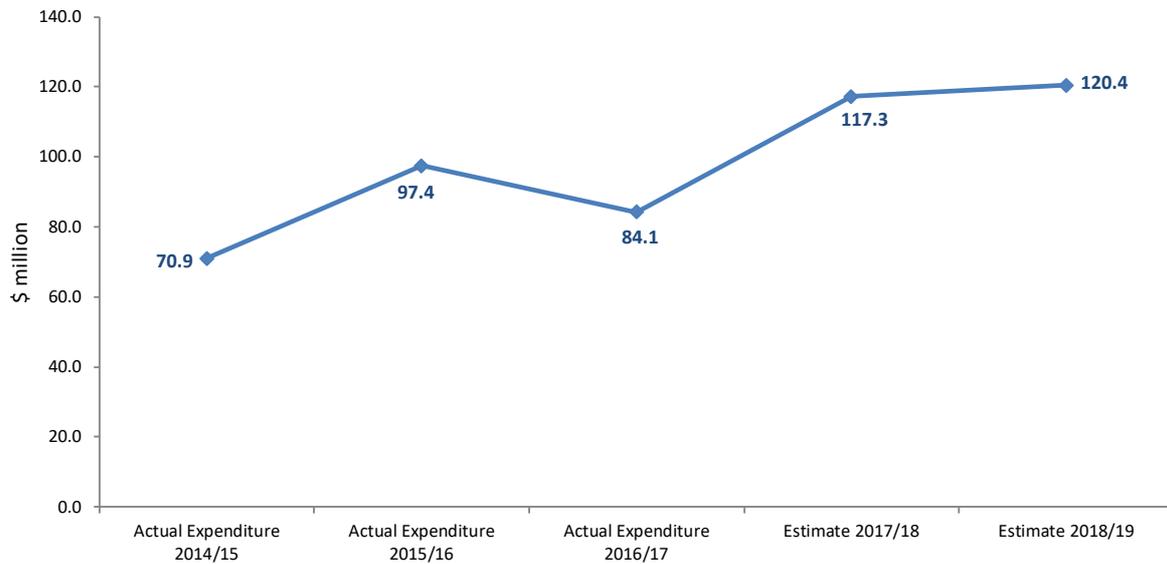
A **\$12.3 million** reduction in 'Special Expenditures' has also offset this increase. The higher figure for 2017-2018 was primarily a result of funding for the Fijian Census.

The following graphs show funding trends over the past five years.

### Ministry of Economy expenditure by type, 2014-2015 to 2018-2019



## Ministry of Economy total expenditure, 2014-2015 to 2018-2019



## Major Budget announcements

The following section highlights some of the major budget announcements relating to the Ministry.

### Household, Income and Expenditure Survey

The Budget allocates **\$2.0 million** to conduct the 2018 Household, Income and Expenditure Survey. This Survey is performed every five years and collects information about the social economic reality of the country by collecting households' annual income and expenditure.

### Capital Project Database

The Ministry's Construction Implementation Unit will receive **\$350,000** for the establishment of a database to monitor the implementation of all capital projects being coordinated by the Unit.

### Inventory check of schools

The Budget allocates **\$300,000** to take inventory of all Fijian primary and secondary schools. Although this responsibility was previously that of the Ministry of Education, Heritage and the Arts, it has been transferred to the Ministry of Economy in order to improve efficiencies.

## Budget allocations

### Funding grants to Fiji Customs and Revenue Service

The Ministry will provide the Fiji Customs and Revenue Service with a **\$68.8 million** operating grant and a **\$10.0 million** capital grant. This represents a **\$15.8 million** increase on the previous year's grant, and will be used to cover capital expenses for the Service, including the construction of a new Nadi office, establishment of a national tax information



system and human resources information system, and procurement of first defender equipment for customs checks.

### **Government pensions, gratuities and benefits**

**\$11.7 million** is allocated to the Fiji Serviceman's Aftercare Fund, which provides ex-servicemen and their beneficiaries with monthly allowances and medical/educational assistance. **\$46.2 million** has been budgeted to oversee the payment of government pensions to people such as ex-parliamentarians, retired judges and all service pensioners and their beneficiaries (allocated under *Head 51 – Miscellaneous Services*).

### **Responding to climate change**

**\$100,000** will be allocated to the Oceans Policy Framework to help sustainably manage and conserve Fiji's ocean ecosystem, and meets the country's commitments made at the 2017 Ocean Conference.

### **Sources**

- Fijian Government (2018) *Budget estimates 2018–2019*, Ministry of Economy, 28 June 2018. [Hard copy.]
- Fijian Government (2018) *General administration sector: 2018–2019 Budget kit*. [Hard copy.]

### **July 2018**

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