



DEPARTMENT OF FORESTRY ANNUAL REPORT 2014

MINISTRY OF FISHERIES AND FORESTS

DEPARTMENT OF FORESTRY

ANNUAL REPORT

For the Year ending on
31st December 2014





MINISTRY OF FORESTRY

HEADQUARTERS

Takayawa Building, Toorak Road, Suva
P. O. BOX 2218, Government Buildings
Suva, FIJI

Phone: (679) 3301611
Email: tfong@govnet.gov.fj

REFERRAL LETTER FROM PERMANENT SECRETARY

18 February 2020

Honourable Osea Naiqamu
Minister for Forestry
Takayawa Building, Toorak
Suva.

Dear Sir,

Re: Annual Report 2014

I have the pleasure of re-submitting the Annual Report for the then Department of Forestry for the year ending 31st December 2014. The Report was submitted earlier but was returned at the request of the Parliamentary Standing Committee on Natural Resources. I am pleased to advise that the Report now contains the information requested by the Committee.

This is now respectfully submitted for your information and subsequent tabling in Parliament in accordance with the Financial Management Act of 2004.

Yours Sincerely,

G.P.N. Baleinabuli
Permanent Secretary (since November 2018)



TABLE OF CONTENTS

FOREWORD.....	4
CORPORATE PROFILE.....	6
1.0 PORTFOLIO LEADERSHIP, POLICY ADVICE AND SECRETARIAT SUPPORT	7
1.1 Staff	7
1.2 Budget Allocation & Expenditure.....	7
2.0 FOREST SECTOR DEVELOPMENT.....	8
2.1 Forest Resource Base.....	8
2.3 Forest Production.....	8
2.3.1 National Log Production	9
2.3 Downstream Processing	9
2.3.1 Sawmills in Fiji.....	9
2.3.2 Timber Treatment Plants.....	9
2.4 Exports & Imports - 2014.....	10
2.4.1 Exports	10
2.4.2 Exports by Major Destination.....	11
2.4.3 Forestry Imports	11
3.0. GOVERNMENT SERVICES.....	12
3.1 Forest Law Enforcement: Licensing, Compliance & Monitoring	12
3.1.1 Forestry - Annual License	12
3.1.3 Monitoring, Compliance and Surveillance	13
3.2 Forest Management: Forest Resource Information.....	13
3.2.1 National Monitoring, Reporting & verification (MRV) System	13
3.2.3 Forest Resource Assessment.....	14
3.2.4 National Forest Inventory 2007	14
3.2.5 Permanent Sample Plot.....	14
3.2.6 Reducing Emissions from Deforestation and Forest Degradation (REDD+)	14
3.3 Education and Training	15
3.3.1 Forestry Technical Skills.....	15
3.3.2 Sustainable Forest Management Training	15
3.4 Research and Publication.....	15
3.4.1 Research into Silvicultural Practices of Native Tree Species	16
3.4.2 Natural Forest Management Pilot Project	17
3.4.3 Forest Health Monitoring and Surveillance	18
3.4.4 Sandalwood Development Program	19
3.4.5 Undertake research development on forest commodities	19



3.4.6 Utilization of Wood Project	20
3.4.7 Pine Woodlot Logging Package	21
3.5 Extension and Advisory Service	21
3.5.1 Community Forest Development	21
3.6 Forest Parks, Recreation and Reserves.....	22
3.6.1 Colo-i-Suva Forest Park.....	22
3.6.2 Reserves.....	23
4.0. AUDITED FINANCIAL REPORT	26
5.0. APPENDICES.....	43
APPENDIX 1: FORESTRY DEPARTMENT ANNUAL BUDGET & EXPENDITURE STATEMENT	43
APPENDIX 2: ORGANIZATIONAL STRUCTURE	44
APPENDIX 3: ROYALTY RATES & CLASSES	45
APPENDIX 4: TIMBER SPECIES HARVESTED	45
APPENDIX 5: MINOR FOREST PRODUCE PRODUCTION.....	46
APPENDIX 6: TREATMENT PLANTS AND SAWMILL STATUS	47

FOREWORD



I am pleased to present the 2014 Annual Report for the then Forestry Department. This report was put together under the guidance of the then Permanent Secretary, Mr Inoke Wainiqolo, and Conservator of Forests, Mr Samuela Lagataki, whose contributions I acknowledge with sincere appreciation. The mutual report required additional information which we have just come to hand.

The report describes the status of Fiji's forest resources, and its importance to the economic, social and environmental wellbeing of the nation.

Fijians can be proud of certain achievements within its forest sector as it shows our leadership in sustainable forest management for the Pacific Island Region.

Our forests have always presented Fiji with enormous potential for livelihoods and economic development opportunities. These opportunities will continue to further expand in the future as demands for addressing biodiversity conservation, climate change, and other emerging forest related issues. This is the 76th edition of the Forestry Department Annual Report that is dedicated to sustainable management of Fiji's forest resources.

The Department of Forestry (since 2016) is playing an active role in supporting various international commitments including outcomes of the Small Islands Developing States (SIDS) Conference in 2014, that the Fijian Government is committed to preparing its own progress report for establishing Sustainable Forest Management (SFM) model areas. The SFM model has enabled Fiji to establish the science that is needed for the sustainable management of forests and the framework for the successful involvement of the communities in the implementation of SFM in Fiji.

The commercial utilization of what is commonly called in the forest sector as "waste wood" for various end uses can help reduce waste in our forests and maximize utilization. The research programme on waste wood utilization has enabled the department to promote furniture making and handicraft items to Small Medium Enterprises (SME's). Under the Forest Subsidy assistance programme, the department was able to train, provide assistance and establish four (4) SME's. The Department collaborates with key stakeholders to ensure our forests continue to be both a source for economic growth and improving livelihoods.

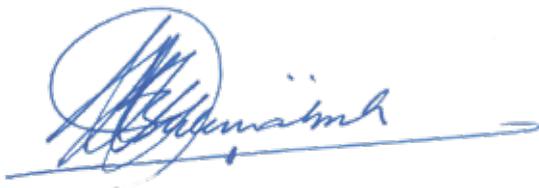
The Ministry is also responsible for the development and management of its Forest Information System (FIS) and databank, measuring of forests dynamics through Permanent Sample Plots (PSPs), administration of mapping and surveys of forest boundaries and forest functions and services, and co-ordination. The department continues to work in collaboration with central agencies and development partners to update forest related information needed to enable accurate and timely decision making by the national government.

The Ministry also introduced a new project in 2014 that will improve the livelihoods of our maritime communities through the Maritime Pine Package assistance for Cicia and Gau. The department will continue towards replicating the project to other maritime islands in need of similar assistance. Once the project activities has been completed on Cicia and Gau Islands the department will develop and document models that could be replicated on other maritime islands where the Pine resources are sufficient for development.



As a renewable resource, Fiji's sustainably managed forest will continue to provide Fijians with prosperity and environmental benefits. And, through SMART Policies and sustainable management of Fiji's forest resources, I can assure that our forest sector will continue to adapt and meet the ever changing global demands on sustainable forest management.

I also take this opportunity to commend the efforts of all our stakeholders, development partners and staff of the department in the achievement of the 2014 targets.



G. P. N. Baleinabuli

The Permanent Secretary (since 15 November 2018)

CORPORATE PROFILE



VISION

•Our Future Generation will inherit a Prosperous and Enhanced Forestry Sector the Leader in forests sustainability and innovation for small island economies



MISSION

•Improving Livelihood through SMART Policies on Sustainable Management of Forestry Resources.



VALUES

- Responsible** - We will discharge our duties with accountability
- Resolute** - We will discharge our duties with determination and be firm and fair in our decisions
- Respectful** - We will be sensitive to individual needs and the diversity of views
- Resourceful** - We will be practical, creative, effective and efficient and maintain uncompromising integrity in our daily work
- Reliable** - We will do and deliver what we have committed and promised to our customers

ROLES & RESPONSIBILITY

The Department is responsible for the:

- Implementation of the Fiji Forest Policy 2007;
- Administration and enforcement of 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.



STRATEGIC PRIORITY AREAS

Priority Outcomes as in the RDSSED, Government's Manifesto and the 2013 Constitution:

No.	Description
1	The Accountability Framework – Productive and Transparent, democratic and accountable institution
2	Public Sector Reform – Improved Public Sector efficiency, effectiveness and service delivery
3	Leader – Effective, enlightened and accountable leadership
4	Employment & The Labor Market – Fullest and most productive utilization of human resources

The above key focus outcomes can be further translated into the table below:

In aligning the above to the Government's manifesto the following key areas apparently stood out:

1. Ensuring food security for the people of Fiji through various programs and activities that is implemented;
2. Greater collaboration and networking of all key stakeholders involved with research;
3. Protection of our biodiversity through the establishment of national parks and reserves;
4. Community Empowerment through provision of appropriate training for SME's and identification of alternative livelihood schemes;
5. Streamlining of systems and processes to better services the Fijians;
6. Empowerment of women to participate competitively in the market of forest products;
7. Enhancement of Department staff to provide efficient and effective service delivery;
8. Reducing climate change impact; and
9. Provision of affordable housing to Fijians through our Pine Maritime Project.

1.0 PORTFOLIO LEADERSHIP, POLICY ADVICE AND SECRETARIAT SUPPORT

1.1 Staff

The Department has a total staff complement of 184 out of which 100 are established and 58 wage earners. In addition, the Department employed a total of 26 project staff to facilitate the timely delivery of project outputs.

1.2 Budget Allocation & Expenditure

The Department was allocated a total budget of \$8.7 million of which \$5.57 million was for Operating expenditure, \$2.54 million was for Capital expenditure and \$0.60 million was for VAT. The Department utilised \$8.1 million which was 92.4% of the allocated budget. Expenditure details are listed in Appendix 1.



2.0 FOREST SECTOR DEVELOPMENT

2.1 Forest Resource Base

Table 1: Forest areas by Division

Division	Natural	Pine	Mahogany	Mangrove	TOTAL
	Hectares				
Northern	413,600	21,572	26,100	30,010	491,282
Central/Eastern	334,170	3,146	26,500	13,920	377,736
Western	247,050	63,781	15,100	17,700	343,631
Grand Total	994,820	88,499	67,700	61,630	1,212,649

Fiji has a total of 1.2 million hectares of forest area, of which natural (indigenous/native) forests comprise 82.0%, Pine comprises 7.3%, Mahogany comprises 5.6% and Mangrove comprises 5.1%. Northern division has the most forest areas covering 40.5% of total forest areas, followed by Central Eastern division with 31.1% and Western division with 28.3%.

2.3 Forest Production

Natural forest can sustainably supply 100,000 cubic meters per annum, reduction since 2006 is due to availability of mahogany logs as an alternative source of logs. It was noted an increase in production up to 2010 is due to open selling of logs. The decrease after 2010 is because Sustainable Mahogany Industry (SMI) is the sole buyer of Class 1 and 2 logs, as around 70 percent of standing volume in the forest is Class 1 and 2. Classes 3 - 5 constitute only 30% of the total resource.

In 2014, a total of 645,163m³ of logs was produced, of which the majority was attributed to Pine, accounting for 83.5% of total log production; followed by Mahogany at 9.2% and Native logs at 7.3%.

Table 3: Forest production data for 2014

Forests	Total (m ³)
Natural Forests/Native	46,775
Mahogany	59,319
Pines	539,069
Total	645,163

2.3.1 National Log Production

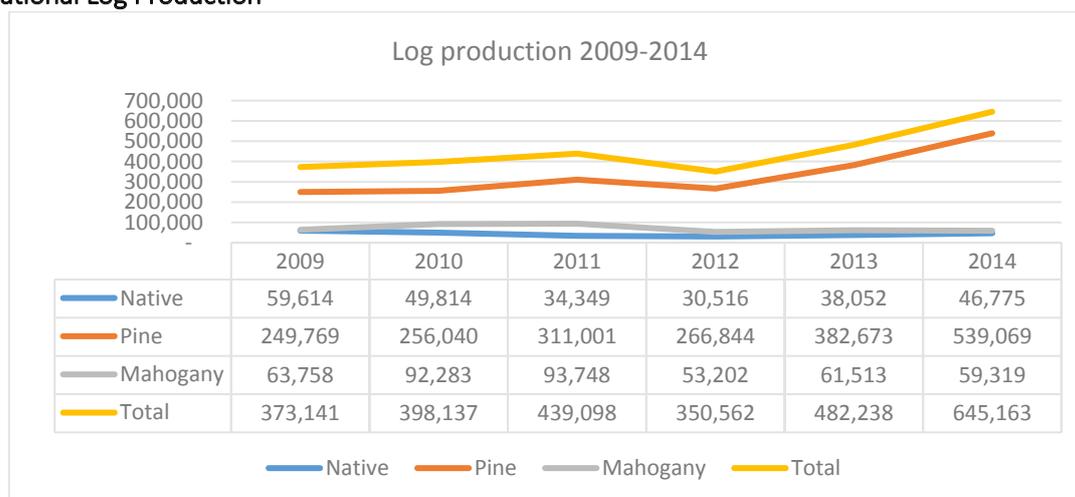


Fig 1.0: Annual Log Production 2009 to 2014

2.3 Downstream Processing

A total of 24 static sawmills, 3 veneer mills and 21 portable mills exists in the country. Total annual sawmill capacity is 431,400 cubic meters against an annual resource availability of 300,000 cubic meters, an over capacity of 131,400 cubic meters. Of the 24 static sawmills, 19 are licensed for 2014, with 3 veneer mills, and of the 55 portable saw mills, 21 are licensed for 2014.

2.3.1 Sawmills in Fiji

Table 4: Sawmills in Fiji by Forestry Divisions

Division	Sawmills	Static	Portable
Northern	15	9	6
Central/Eastern	15	6	9
Western	15	9	6
Total	45	24	21

2.3.2 Timber Treatment Plants

Table 5: Timber Treatment Plants in Fiji by Forestry Divisions

Division	Existing	New
Northern	7	
Central/Eastern	5	1
Western	5	
Total	17	1

2.4 Exports & Imports - 2014

2.4.1 Exports

Table 6: Forestry Export Data for Fiji

Products	Volume			Value (FJD)
	M ³	Kg	Mt	
Fiji Pine Chips			349,454	42,198,949
Sawn Timber	20,250			32,143,951
Decking	1,252			2,323,230
Guitar Components	350,047			1,522,943
Plywood	518			1,172,432
Crotches	222			227,189
Sandalwood		26,177		241,944
Mango sticks		14,197		68,024
Veneer	19			51,045
Weatherboards	16			16,460
Slabs	14			14,035
Dressed Timber	7			9,375
Posts	3			3,318
Finished Product	20			1,700
Mouldings	1			1,675
Poles	1			1,517
Sasa broom stick	100			700
Form seal board	1			692
Hardboard	1			643
Cement Board	0.3			392
Others				589,869
Total	372,471	40,373	349,454	80,590,082

Total exports of forestry products for 2014 amounted to \$80.6 million. The above table clearly depicts that Pine chips dominated the export of forest products in 2014 taking into account 52.4% of total exports followed by exports of sawn timber at 39.9%.

2.4.2 Exports by Major Destination



Fig 2.0: Exports by major destinations - 2014

Major export destination for 2014 is Japan, accounting for 36% of total exports due to exports of Pine Chips; followed by the United States with 22% exports mainly due to exports of mahogany sawn timber. China is the third major export destination, accounting for 18% of total exports due to exports of Pine Chips.

2.4.3 Forestry Imports

Table 7: Forestry Imports for 2014

Product type	Volume		Value (FJD)
	M ³	Pc (million splints)	
Sawn Timber	8,800		7,324,448
Plywood	2,725		2,652,147
Poles	696		2,511,831
Hardboard	1,675		1,670,216
Cross Arms	285		717,886
Medium Density Fiberboard (MDF)	270		538,087
Moulding	680		512,634
Form Seal Board	453		376,953
Laminated Beam	459		350,000
Gib Board	288		171,296
Wooden Cable Reels	123		153,109
Match Splints		367	138,863
Cement Board	157		99,893
Taper Sawn Shakes	10		92,817

Product type	Volume		Value (FJD)
	M ³	Pc (million splints)	
Whiteboard	58		84,879
Flooring Foam	45		82,719
Decking	40		82,713
Posts	46		73,822
Particle Board	113		43,188
Pine Board	23		28,000
Gypsum Board	50		18,121
Roof Shingles	60		89,435
Melteca board	106		43,992
Others	911		108,346
Total Value	18,440	367	17,965,395

Total imports for forestry products in 2014 amounted to \$17.9 million of which Sawn Timber contributed the highest with \$7.3 million (40.8%); followed by Plywood at \$2.7 million (14.8%), Poles at \$2.5 million (14.0%) and Hardboard at \$1.7 million (9.3%).

3.0. GOVERNMENT SERVICES

3.1 Forest Law Enforcement: Licensing, Compliance & Monitoring

Sub Output Areas

The sub-output areas for this program are Forest Logging & Timber Processing.

3.1.1 Forestry - Annual License

Division	Total no. of license issued
Northern	174
Western	268
Central/Eastern	130
TOTAL	572

A total of 572 licenses was issued by the Department in 2014. This include new licenses and renewed licenses. Apart from logging licenses, other licenses issued include collection of minor forest produce such as firewood.

3.1.2 Timber Processing

Forty Five (45) sawmills were licensed to operate during the year with a total sawmill log intake capacity of 77,693.65m³.

A total of 17 treatment plants were licensed to operate in the country during the year and all were operational. Out of the total 25 kiln driers in the country, only 15 were operational.

3.1.3 Monitoring, Compliance and Surveillance

The Monitoring, Compliance and Surveillance of Forest Harvesting Operations continued to be carried out by staff of the Training Centre until the appointment of a Project Officer in 2014.

A total of 10 activities were completed by the Department in 2014 that included awareness, training and monitoring of forest harvesting operations.

A total of 153 individuals have been trained under the seven (7) different units conducted in 2014 while 51 contractors were monitored throughout the 3 divisions (North, West and South).

Table 8: Forest harvesting trainings provided to the Timber Production Officer's (TPO's) and industry stakeholders

No.	Title of Training	No. of Participants	
		Department Staff	Stakeholders
1	FFHCOP Awareness	18	
2	First Aid Bridging Course	22	
3	Supervision Module I	22	
4	Supervision Module 2	39	
5	First Round National Monitoring		51
6	Harvesting Plan Training	52	
	Total	153	51

3.2 Forest Management: Forest Resource Information

Sub Output Areas

Responsible for the management of Forest Information System (FIS) and databank; management of natural forests through permanent sample plots, administration of mapping and surveys of forest boundaries and forest functions and services; and co-ordination and facilitation of forest international and regional conventions and agreements

3.2.1 National Monitoring, Reporting & verification (MRV) System

The Department's target was to produce ten (10) forest cover maps this year however, the Department managed to achieve beyond the target and produced a total of fourteen (14) maps during the year. Twenty-three (23) quadrant using **eCognition** software was achieved in digitizing forest areas using high resolution image.

3.2.3 Forest Resource Assessment

The Department achieved 63% in updating standing tree volume by classes that is for thirty four (34) Districts completed and twenty (20) Districts remaining.

Production of Land Use maps for each Mataqali in Draubuta, Emalu, Navosa for the REDD Plus site. The maps were produced for the project.

3.2.4 National Forest Inventory 2007

Update on forest area (NFI 2007) and the Department's achievement this year was updating the forest cover areas by district/province/islands enabling the development of interventions.

3.2.5 Permanent Sample Plot

A total of 100 Permanent Sample Plots (PSP's) were established from 2009 to 2010 in Viti Levu, Vanua Levu and Taveuni. From 2011 to 2012 the 1st round of measurement was carried out and the second round of measurement commenced from 2013 and will be completed in the fourth quarter of 2014. Total of 35 PSP Plots were measured during 2014 by the Department.

All data collected are entered into the database for further analysis after the 2nd round of measurements. It has also been noted that there has been some clearing done in some plots due to agricultural purposes and logging.



Fig 3.0: Assessment of PSP's

3.2.6 Reducing Emissions from Deforestation and Forest Degradation (REDD+)

A total of 4 key outputs was to be delivered, 50% of all outputs have been achieved. The achievements in the 4 key outputs;

- Signing of the partnership agreement with Fiji Carbon Facility Program (FCFP) to build upon the financial institutions;
- Cabinet noting of the current process of the carbon rights and ownership;
- Strengthening Monitoring, Reporting Verification (MRV) capacities in forest mapping;
- Consultations on safeguards;
- Other progressing activities include reforestation of grasslands around Emalu pilot project site, land use planning, safeguards guidelines, MRV methodologies; and developing awareness materials.

3.3 Education and Training

Sub Output Areas

Responsible for conducting training and up-skilling of forest resource owners and competency based training for Forest Industry workers. Also, responsible for conducting the in-house trainings for Forestry Department staff in forest operations, management and maintenance of qualified and skilled workforce.

3.3.1 Forestry Technical Skills

Table 9: Forestry Technical Skills training conducted during 2014 for stakeholders and resource owners

No.	Title of Training	Participants	
		Stakeholders	Resource Owners
1	FTMB	47	
2	HTMB	76	77
3	CBT Skills Test	15	46
4	Chainsaw Mechanic		16
	Total	138	139

3.3.2 Sustainable Forest Management Training

Sustainable Forest Management (SFM) is the process of managing forest to achieve one or more clearly specified objectives of management with regard to the production of continuous flow of desired forest products and services without undue undesirable effects on the physical and social environment.

In 2014, the Department conducted three (3) SFM trainings in the upper Nadi Watershed. The focus of conducting SFM training and awareness in Nadi was to address the recent flooding of Nadi Town and the surrounding areas. Training conducted in 2014 was focused in Tikina Sabeto, Tikina Rukuruku and Tikina Vaturu.

A total of 106 community members attended the training in the 3 Tikina's mentioned above and 19.8 per cent of this was females while 80.2 per cent were males.

3.4 Research and Publication

Sub Output Areas

Silviculture Research and Resource Assessment Division

Responsible for the establishment and care of forest stands; management of tree nurseries and thinning of forests to encourage natural growth of sprouts or seedlings of desired varieties; conduct of research in problems of forest propagation and culture as tree growth rate, effects of thinning on forest yield, duration of seed viability, and effects of fire and animal grazing on growth, seed production, and germination of different species and development of techniques for measuring and identifying trees.

Timber Utilization Research & Product Development Division

Responsible for the research and investigation of wood properties of all native and exotic timber, formulation, establishment and implementation of quality management system for timber processing and timber utilization; and administer timber trade through product development, quality controls.

3.4.1 Research into Silvicultural Practices of Native Tree Species

The Department continued with its research on three major activities for the establishment of three *Callophyllum inophyllum* Dilo, three Sandalwood spacing trials in open forest, secondly forest and agroforestry systems, and monthly phenology assessment (flowering, fruiting, seeding and maturity) of the indigenous tree species for the compilation of a guide to local tree species flowering, fruiting, seeding and maturity.

Callophyllum inophyllum Dilo Research Trial

As at end of 2014, the Department achieved all the above activities and except for the *Callophyllum inophyllum* Dilo, only two plots were established while the third is yet to be achieved. The establishment of the third *Callophyllum inophyllum* Dilo trial plot has been rolled over to 2015. From the assessments of the growth dynamics and survival of *C. inophyllum*, both varieties have been noted to be thriving well and have a mean survival rate of 67% for all the sites.



Fig 4.0: Dilo trial plot establishment at Sigatoka Sand Dunes

Sandalwood Spacing Trials

Three Sandalwood spacing trials were established in three sites at Kumi Village in Tailevu, Wainiyabia Village in Serua and Colo-i-Suva Forest Reserve at Uluibeka. The three plots cover an area of approximately 1.5 hectares and 0.5 hectares per site respectively. The broad objective was to establish and develop a spacing trial for sandalwood.



Fig 5.0: Establishment of Sandalwood Spacing Trial at Kumi Village, Tailevu

Phenology of Indigenous Tree Species and Establishment

Phenology observation of indigenous tree species was carried out in the phenology plots at Colo-i-Suva Forest Reserve that has a population of 245 trees of which 45% of the trees were observed to be flowering, 30% of the trees were fruiting and the remaining 25% of the trees were observed to be bearing fruits but of various degrees of density.

Basing from the seed survey results for 2014, it has been observed that 2014 has not been a very good year for harvesting seeds due to the change of phenology patterns of tree species. It is assumed that the changes climatic pattern is a contributing factor and hence the need to closely monitor the flowering, fruiting, seeding and maturity patterns of trees species that would allow the Division to do the timely collection of matured fruits.



Fig 6.0: Phenology survey conducted on native tree species at Colo-i-Suva Forest Reserve

3.4.2 Natural Forest Management Pilot Project

Two (2) compartments were approved for harvesting operations that include compartments 3 and 4. Three (3) compartments have been completed with their logging plans and tree position maps that includes compartments 2, 5 and 8. The tree position mapping includes collection of all relevant data such as species name, DBH, estimated height and quality data are all recorded into the GPS machine.

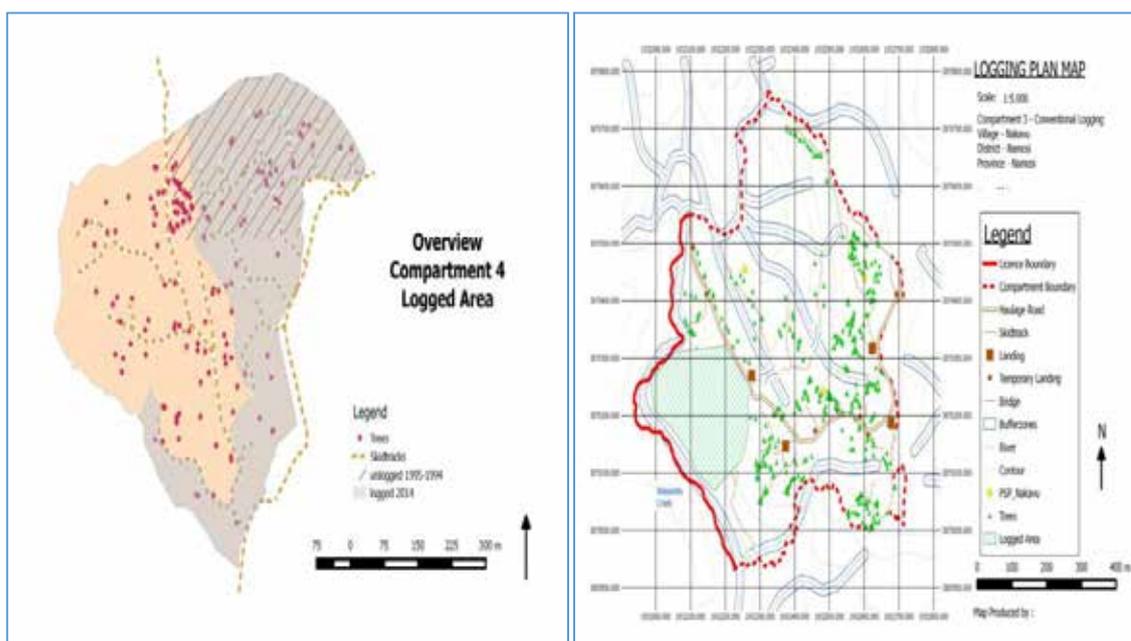


Fig 7.0: Logging plan map for Nakavu NFMPP with tree locations

3.4.3 Forest Health Monitoring and Surveillance

Total number of 80 static traps set up during the year where majority of the insects collected were from the order Coleoptera (beetles). These insect pests' species are of threat to the forest and forest produce. They make pin holes on the bark of the tree right to the sapwood leaving the frass like substance on the surface.

Once the tree is harvested and sawn into timber the consequence of these tunneling is seen on the surface of the timber thus lowering the value of the timber as the appearance is not of customer preference. Static traps are set up in forest plantations to monitor insect pest incursion in order to minimize the pest attacks on trees and lower the population of this pest and at the same time avoid down grading of processed timber. Scolytidae and Platypodidae are two families of the order Coleoptera that is threatening most of the plantation areas within Viti Levu especially Pine Plantation and Mahogany Plantation.

Pest List Analysis - Timber Bait Trial

The above activity was the initiative of the Department to undertake timber baiting activity of commercial timber species. The main objective was to use standardized timber baits from the 25 selected commodity tree species for Fiji to identify their potential pests.

Freshly cut timber baits for the 25 commercial tree (i.e. plant hosts) species were exposed for one month in the field to ovi-posting wood-boring insects and then collected into cloth cages after 1 month for rearing and set up in the rearing shed.

Insects reared from the timber baits were collected fortnightly into 80% ETOH in sealed and labeled vials and further identified in the lab.

A total of 569 beetles belonging to five families *Scolytidae*, *Platypodidae*, *Cerambycidae*, *Curculionidae* and *Elateridae* were reared from the timber baits during 4th quarter. The most common beetle family reared was from the wood boring beetle family *Scolytidae* (bark beetles)

majority of which were reared from *Calophyllum inophyllum* Dilo (289 Scolytids) and *Calophyllum vitiense* Damanu (113 Scolytids). *Scolytidae* was reared from 16 of the total 25 tree species that were experimented.

The results of the 4th quarter rearing experiments confirms the finding from the 3rd quarter work that Scolytidae beetles really does have a strong preference to the host plant genus *Calophyllum* possibly due to the colorless, white or yellow latex produced by within the genus *Calophyllum* as previously demonstrated that host ovi-position preferences by beetles are largely due to host-plant volatiles and temperature for emergence

3.4.4 Sandalwood Development Program

Since the inception of the Sandalwood Development Project in 2011 a total amount of \$500,000 has been allocated till end of 2014. For 2014, \$100,000 was approved by the Ministry of Finance for the Project.

Project priorities for 2014 included the seed collection, seedling production, soil analysis, sandalwood inventory and mapping of sandalwood in Fiji, monitoring and evaluation of sandalwood development project activities implemented at specific sites/locations, technical support and assistance with setup of community based sandalwood nurseries, sandalwood field establishment (reforestation of Yasi) and fencing and provide technical support to sandalwood farmers in the country for expansion of their sandalwood plantation.

Key achievements included thirteen (13) communities empowered on sandalwood resource development and the communities included Naiviqiri (Bua), Narailagi (Cakaudrove), Dakuni & Rukua 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. According to our standard planting spacing used for sandalwood cultivation which is 5m x 5m, the seedlings covered a total area of 5.8 hectares. For our sandalwood community based nurseries and other private owners, a total area of 15.4 hectares had been planted using the seedlings that were raised and sourced from these established nurseries, contributing to the overall total area planted sandalwood seedlings during 2014 was 21.2 hectares.

3.4.5 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. Research into identifying the potential of these wood and non-wood will further boost value adding of this lesser known species to increase value and potential uses by the local forest sector industries.

The species that were researched on were *Dillenia biflora* (Kuluva), *Parinari insularum* (Sa) and *Trichospermum richii* (Mako).

Table 11: Forestry research publications

SUBJECT	PUBLISHED/UNPUBLISHED
Report: Properties and Potential Uses of <i>Dillenia biflora</i> (Kuluva)	Published
Report: Properties and Potential Uses of <i>Parinari insularum</i> (Sa)	Unpublished Draft report available – to be submitted for publication in the 4 th Quarter, 2015
Report: Properties and Potential Uses of <i>Trichospermum richii</i> (Mako)	Unpublished Draft report available – to be submitted for publication in the 4 th Quarter, 2015

The findings will increase the utilization of the lesser known species which are currently left standing in the forest due to lack of knowledge for its use for example “Sa” is a tree with good form and potential for industrial usage but are mostly left in the Forest. Forest owners will also realize increased returns from royalties.

3.4.6 Utilization of Wood Project

A growing concern is the increasing amount of utilizable waste wood usually left behind in the native and plantation forest after harvesting operation. At present, there is no available data on the actual proportion of wood that is left behind; however, some estimates place the figure to be as high as sixty percent (60%) in some cases of tree removal.

Establishment of Cottage Industries

A total of four (4) small cottage industries were established under the project that are operating as a small micro-business enterprise creating employment opportunities for additional 50 personnel.

Table 12: Cottage industries established in Fiji

Cottage Industry	Revenue Collected	Job in Progress	Others
1. Rara Nacovu Wood Products	\$5,340.00	St. Joseph the Worker	They work in collaboration with WUP/TITC
2. Latus Artifacts	\$1,280.00	Showroom items	Working on private orders from hotels, Tappoos, etc.
3. Gaunavinaka Handicrafts	\$1,134.00	Showroom items	Working on private orders from Jacks handicrafts and other client demands
4. Mukesh Upholstery	\$530.00	-	Work with private orders
Total	\$8,284.00		



Fig 8.0: Products produced by the established cottage industries

3.4.7 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 in 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 Ovalau.

3.5 Extension and Advisory Service

Sub Output Area

Responsible for the promotion of sustainable forest management through instituting a-forestation and reforestation to stabilize degraded and logged over sites and extension of forest cover.

3.5.1 Community Forest Development

The Department achieved the establishment of six (6) agroforestry models in the following areas:

- Lomaivuna Sector 2;
- Lomaivuna Sector 3;
- Lomaivuna Sector 6;
- Naitasiri Circuit farm Navuso;
- Batiki Island; and
- Wailoku Homes of Hope.

The targeted 10 hectares of afforestation and reforestation was also achieved including planting of trees at the newly opened Navua Hospital.

Under the reforestation program thirteen (13) sites were established in 2014 with a total of nineteen (19) hectares planted in Viti Levu and Vanua Levu. This is an increase of 18% in

comparison to the annual target and majority of plantings were carried out in Central Eastern division (46%) followed by the Western Division (32%) and the Northern Division (22%).

For coastal rehabilitation, the Department planted twelve (12) hectares during the year. This was the result of collaborative work with Government agencies, Banks, NGO's, communities, villages and schools for their environmental program. For coastal rehabilitation activity, more than 12 hectares of mangrove forest was planted during the year in the Rewa Delta. Two mangrove nurseries were also established in Nakalawaca Village, Tailevu and Lami Fisheries for production of mangrove seedlings to cater for this program.

3.6 Forest Parks, Recreation and Reserves

Sub Output Area

Responsible for the establishment, management, maintenance and enhancing of the use of forest parks and reserves, forest education and resource conservation promotion, restoration ecology and watershed and amenities planting.

3.6.1 Colo-i-Suva Forest Park

Visitors to the park recorded a total number of 24,895 visitors at the end of the year and an increase of thirty five (35) percent from the total visitors recorded for 2013.

The analysis indicates that the forest park is not only a main attraction for overseas visitors but also for locals during holiday season and field trips for students of primary, secondary and tertiary level for their educational tours. Furthermore, it is highlighted that the locals are the main users of the park compared to the overseas visitors. The main attractions offered at the park include bird watching, waterfalls and pools, hiking through its natural trails and look out points for scenic views.

The Colo I Suva Forest Reserve was set up in 1964 when a Mahogany stand was planted in the area. The site became formally established as the Colo-i-Suva Forest Park in 1970 for its natural beauty, proximity, and recreational values as well as to promote understanding and awareness of forest values.

The Upgrading of Forest Park project priorities involved the upgrading of the services that will link and attract customers to the park. The improvement of the services included the upgrading of road to the park, installation of treated water and installing of radio system for communication from the Park Attendants to the office during emergencies. The installation of water meter and radio communication system was an outcome of request made by the customers to have a tap water that is suitable for drinking and radio communication system for emergency, security and safety at the park. The forest park road was last upgraded in 2011, with the increase on the vehicle numbers entering the park the park road has deteriorated over the years and requires a major upgrade.

A total amount of \$104,000 was approved by Ministry of Finance for the implementation of the project activities. A total of ten major activities and 90% of the planned activities were achieved during 2014. The Department also partnered with Bank of the South Pacific (BSP) for the setup of the Children's Park at the Upper Pools car park.



Fig 9.0: Signage at the Upper Pools improved

Table 13: Colo-i-Suva Forest monthly visitor arrivals for 2014

Month	Monthly Visitors Nos.
January	5,132
February	2,068
March	2,122
April	2,003
May	963
June	883
July	2,022
August	1,130
September	1,601
October	1,460
November	2,772
December	2,739
Total	24,895

3.6.2 Reserves

The Department manages a total number of seventeen (17) Forest Reserves and seven (7) Nature Reserves covering a total forest area of 34,890.43 hectares. Other parks and reserves managed by other Environmental organizations cover a forest area of 17,004.5 hectares. The maintenance of Forest Reserves for 2014 was conducted on four Forest Reserves which included the Maranisaqa, Vago, Savura and Yarawa reserves. Annual lease and compensation payments for all reserves totals to \$66,426.14.

Table 14: Listings of forest, nature and other parks and reserves

Forest Reserves:

No.	Location/Name	Province	Established Proclaimed	Area (Ha)
1	Taveuni	Cakaudrove	1914	11,290.7
2	Buretolu	Ba	1926	1,197.9
3	Nadarivatu – Nadala	Ba	1954	7,400.7
4	Maranisaqa & Wainiveitua	Naitasiri	1955	77.3
5	Qoya	Rewa	1955	67.2
6	Tavua	Ba	1958	2 rods
7	Ravilevu	Cakaudrove	1959	4,018.7
8	Vago	Naitasiri	1959	24.7
9	Korotari	Cakaudrove	1961	1,046.9
10	Yarawa	Serua	1962	161.9
11	Savura	Naitasiri	1963	447.6
12	Colo-i-Suva	Naitasiri	1963	369.5
13	Suva & Namuka Harbour, including Draunibota, Labiko & Vuo Island	Rewa	1963	19
14	Lololo	Lautoka	1968	8.3
15	Naboro	Rewa	1969	19
16	Saru Creek	Lautoka	1973	3.2
17	Wabu	Ba	1992	2,907
Total				29,059.6

Nature Reserves:

No.	Location/Name:	Province:	Established Proclaimed:	Area (Ha):
1	Nadarivatu	Ba	1956	93.08
2	Tomanivi	Ba	1958	1,323.33
3	Naqaranibuluti	Ba	1958	279.23
4	Ravilevu	Cakaudrove	1959	4,018.54
5	Draubota & Labiko	Rewa	1959	2.22
6	Vuo Island	Rewa	1960	1.2
7	Vunimoli	Cakaudrove	1968	20.23
Total				5,737.83

Other Parks and Reserves:

No.	Location / Name	Province	Established Proclaimed	Area (Ha)
1	J. H. Garrick Memorial Park	Namosi	1986	427
2	Namenalala Island Nature Reserve	Bua	1984	43
3	Tavakubu	Ba	1970	1
4	Saweni Beach	Ba	1970	0.5
5	Lomolomo	Ba	1970	0.5
6	Nukulau Island	Rewa	1970	8
7	Yadua Taba Island	Bua	1981	50
8	Waisali Forest Amenity Reserve	Cakaudrove	2005	120
9	Vaturu Forest Amenity	Ba		
10	Sigatoka Sand Dunes	Nadroga		240
11	Wasavulu	Vanua Levu	1981	1
12	Batiniwai Protected Forest	Serua	1956	15,749.6
13	Bouma Forest Park	Taveuni	1991	80.9
14	Waikatakata Archaeological Park	Nadroga	1991	70
15	Tavuni Hill Fort	Nadroga	1992	3
16	Mount Evans Forest Park	Ba	1993	210
17	Lavena Coastal Walk & Nature Attractions	Taveuni	1994	
	Total			17,004.5

4.0. AUDITED FINANCIAL REPORT

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji



Telephone: [679] 330 9032
Fax: [679] 330 3812
Email: info@auditorgeneral.gov.fj
Website: http://www.oag.gov.fj



CF
DF for inf

PAO
As deal

File: 436

5 June 2015

Honorable Minister for Fisheries and Forests
Ministry of Fisheries and Forests
Takayawa Building
SUVA

Dear Sir

MINISTRY OF FISHERIES AND FORESTS
AUDITED AGENCY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

The audited financial statements of the Ministry of Fisheries and Forests for the year ended 31 December 2014 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for necessary actions.

Yours sincerely


Atunaisa Nadakuitavuki
for AUDITOR GENERAL

✓ cc Permanent Secretary for Fisheries and Forests

Encl.

MINISTRY OF FISHERIES AND FORESTS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

**MINISTRY OF FISHERIES AND FORESTS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT CERTIFICATE	5
STATEMENT OF RECEIPTS AND EXPENDITURE.....	6
APPROPRIATION STATEMENT	7
TMA - MANUFACTURING ACCOUNT	8
TMA - TRADING ACCOUNT	9
TMA - PROFIT AND LOSS STATEMENT	10
TMA - BALANCE SHEET	11
STATEMENT OF LOSSES.....	12
TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS	13
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	14

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
Fax: (679) 330 3812
Email: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

MINISTRY OF FISHERIES AND FORESTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Scope

I have audited the special purpose financial statements which have been prepared under the cash basis of accounting and Notes 1 to 5 thereon of the Ministry of Fisheries and Forests for the year ended 31 December 2014. The financial statements comprise the following:

- (i) Statement of Receipts and Expenditure;
- (ii) Appropriation Statement;
- (iii) TMA - Manufacturing Account;
- (iv) TMA - Trading Account;
- (v) TMA - Profit and Loss Statement;
- (vi) TMA - Balance Sheet;
- (vii) Statement of Losses; and
- (viii) Trust Account Statement of Receipts and Payments

The management of the Ministry of Fisheries and Forests are responsible for the preparation and presentation of the special purpose financial statements and the information contained therein.

My responsibility is to express an opinion on these special purpose financial statements based on my audit.

My audit was conducted in accordance with the International Standards on Auditing to provide reasonable assurance as to whether the special purpose financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the special purpose financial statements and evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the special purpose financial statements are fairly stated and in accordance with government policies in Note 2, the Audit Act and the Financial Management Act 2004, so as to present a view which is consistent with my understanding of the financial performance of the Ministry of Fisheries and Forests for the year ended 31 December 2014.

The audit opinion expressed in this report has been formed on the above basis.

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, I 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, I 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, I am unable to ascertain the accuracy and completeness of the Main Trust Fund balance as at 31 December 2014.

Qualified Audit Opinion

In my 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 policies 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.



Atunaisa Nadakuitavuki
for AUDITOR GENERAL

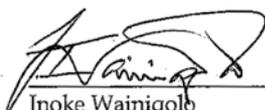
Suva, Fiji
5 June 2014



MINISTRY OF FISHERIES AND FORESTS
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2014

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Fisheries and Forests and its financial position for the year ended 31 December 2014; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and the Finance Instructions 2010.



Inoke Wainiqolo
Permanent Secretary

Date: 03/06/15



Maciu Waqa
Principal Accounts Officer

Date: 03/06/15

MINISTRY OF FISHERIES AND FORESTS
 STATEMENT OF RECEIPTS AND EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
RECEIPTS			
Native Timber Measurement		1,002,754	675,552
Vessel Registration		41,263	9,367
Management Fees		7,416	58,562
License Fishing		70,418	98,782
Sale of Fish and Ice		294,088	256,914
Miscellaneous Revenue		413,672	143,604
Total Receipts	3(a)	1,829,611	1,242,781
EXPENDITURE			
Established Staff	3(b)	7,179,068	5,416,813
Government Wage Earners	3(c)	1,825,734	1,544,468
Travel & Communication		543,104	535,073
Maintenance & Operations	3(d)	2,268,432	2,092,295
Purchase of Goods & Services	3(e)	821,026	909,281
Operating Grants & Transfers	3(f)	370,283	398,363
Special Expenditure	3(g)	152,241	336,135
Total Operating Expenditure		13,159,888	11,232,428
Capital Construction		4,026,408	4,011,113
Capital Purchases	3(h)	791,075	-
Total Capital Expenditure		4,817,483	4,011,113
Value Added Tax		1,295,461	1,168,773
TOTAL EXPENDITURE		19,272,832	16,412,314

MINISTRY OF FISHERIES AND FORESTS
 APPROPRIATION STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2014

SEG	Item	Budget Estimate	Appropriation Changes (Note 4)	Revised Estimate	Actual Expenditure	Carry Over	Lapsed Appropriation
		\$	\$	\$	\$	\$	\$
1	Established Staff	7,571,241	(353,463)	7,217,778	7,179,068	-	38,710
2	Government Wage Earners	1,543,405	346,966	1,890,371	1,825,734	-	64,637
3	Travel & Communication	475,077	76,832	551,909	543,104	-	8,805
4	Maintenance & Operations	2,243,920	72,042	2,315,962	2,268,432	-	47,530
5	Purchase of Goods & Services	891,293	(41,983)	849,310	821,026	-	28,284
6	Operating Grants & Transfers	469,400	(99,114)	370,286	370,283	-	3
7	Special Expenditure	182,500	(1,280)	181,220	152,241	-	28,979
	Total Operating Costs	13,376,836	-	13,376,836	13,159,888	-	216,948
	Capital Expenditure						
8	Construction	5,204,000	-	5,204,000	4,026,408	-	1,177,592
9	Purchases	1,090,000	-	1,090,000	791,075	-	298,925
	Total Capital Expenditure	6,294,000	-	6,294,000	4,817,483	-	1,476,517
13	Value Added Tax	1,513,000		1,513,000	1,295,461	-	217,539
	TOTAL EXPENDITURE	21,183,836	-	21,183,836	19,272,832	-	1,911,004

MINISTRY OF FISHERIES AND FORESTS
TMA - MANUFACTURING ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Opening Raw Material		19,069	16,900
Add: Purchases		-	-
		19,069	16,900
Less: Closing Raw Material		10,728	19,069
Raw Material Used		8,341	(2,169)
Add: Direct Costs		-	(3,536)
Add: Direct labour	3(i)	100,104	123,345
Cost of Manufactured Goods transferred to Trading Account		108,445	117,640

MINISTRY OF FISHERIES AND FORESTS.

TMA - TRADING ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Sales		152,495	144,326
Opening Stock of Finished Goods		10,125	5,294
Add: Cost of Manufactured Goods		108,445	117,640
		<u>118,570</u>	<u>122,934</u>
Less: Closing Stock of Finished Goods		7,002	10,125
Cost of Finished Goods Sold		<u>111,568</u>	<u>112,809</u>
Gross Profit		<u>40,927</u>	<u>31,517</u>

MINISTRY OF FISHERIES AND FORESTS
TMA - PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
INCOME			
Gross Profit Transferred from Trading Account		40,927	31,517
Total Income		<u>40,927</u>	<u>31,517</u>
EXPENSE			
Maintenance and Operation		107,215	40,069
Special Fees and Charges		25	56
Total Expenses	3(j)	<u>107,240</u>	<u>40,125</u>
Net Loss		<u>(66,313)</u>	<u>(8,608)</u>

MINISTRY OF FISHERIES AND FORESTS

TMA - BALANCE SHEET
AS AT 31 DECEMBER 2014

	2014 \$	2013 \$
Current Assets		
Cash at Bank	65,947	109,356
Raw Materials	10,728	19,069
Accounts Receivable	5,745	5,745
Finished Goods	7,002	10,125
Total Current Assets	<u>89,422</u>	<u>144,295</u>
Current Liability		
Deposits and Deduction	5,197	(12,610)
Total Current Liability	<u>5,197</u>	<u>(12,610)</u>
NET ASSETS	<u>84,225</u>	<u>156,905</u>
Equity		
TMA Surplus Capital Retained to CFA	202,067	208,434
TMA Accumulated Surplus	(51,529)	(51,529)
Net Loss	(66,313)	-
TOTAL EQUITY	<u>84,225</u>	<u>156,905</u>

MINISTRY OF FISHERIES AND FORESTS
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

Loss of Money

There was no loss of money recorded in 2014.

Loss of Revenue

There was no loss of revenue recorded in 2014. However, alleged misappropriations of revenue totalling \$3,644 are being investigated by the Ministry.

Loss of Fixed Assets

In accordance with the Procurement Regulations 2010 (Clause 52), the Permanent Secretary for Finance approved the disposal and write-off of the following items upon submission of the recommendations in the Board of Survey Report.

Location	Description	Note	2014 \$	2013 \$
Corporate Services	Computer Equipment		91,488	-
Department of Forests	Motor Vehicle		41,310	2,400
	Office Equipment		-	9,000
	Computer Equipment		43,699	-
Department of Fisheries	Motor Vehicle		33,750	3,950
	Office Equipment		-	9,500
	Computer Equipment		56,915	-
Total		3(k)	267,162	24,850

MINISTRY OF FISHERIES AND FORESTS
DEPARTMENT OF FISHERIES - 1/3 SUBSIDY SCHEME
TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
RECEIPTS		
1/3 Subsidy Contribution	105,944	69,644
Total Receipts	105,944	69,644
PAYMENTS		
Retention Money	25,858	70,444
Total Payments	25,858	70,444
Surplus/(Deficit)	80,086	(800)
Opening Balance as at 1 January	55,639	56,439
Closing Balance as at 31 December	135,725	55,639

MINISTRY OF FISHERIES AND FORESTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: REPORTING ENTITY

The Ministry of Fisheries and Forests is responsible for the formulation of policies that promote best practices (equating conservation and utilization) that will ensure a prosperous and enhanced Fisheries and Forests sectors.

The Ministry will drive this through coordination, consultation and in partnership with resources owners/custodians, communities, private sector, government agencies, non-governmental organisations, regional and international agencies.

In doing so, the Ministry will ensure an enabling environment conducive to private sector investment and growth, community participation, creating job opportunities which would therefore increase Fisheries and Forests Sector contribution to the National GDP.

The Ministry is mindful of the emerging issues such as carbon trading, forest and tuna certifications and the potential growth within the two sectors, is committed to ensuring that the organisation structure is appropriate and there is on-going capacity building to accommodate the changes and efficiently support the expected growth in the two resource based sector.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting/ Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Fisheries and Forests is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71(1) of the Finance Instructions 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trading and Manufacturing Accounts.

(b) Accounting for Value Added Tax (VAT)

All income is inclusive of VAT while all expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Finance. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to FRCA. Actual amount paid to FRCA during the year represent the difference between VAT Output and VAT Input.

MINISTRY OF FISHERIES AND FORESTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 2: STATEMENT OF ACCOUNTING POLICIES (*continued*)

(c) Comparative Figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(d) Revenue Recognition

Revenue is recognised when actual cash are received by the Ministry.

NOTE 3: SIGNIFICANT VARIATIONS

- (a) 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.
- (b) Established Staff increased by \$1,762,255 or 33% in 2014 mainly due to the filling of vacant positions for established staff and the creation of 25 new positions for the Fisheries Offshore Division and the regularisation of the project posts for Technical Services Fleet Bai-ni-Takali Vessel crew.
- (c) Government Wage Earners increased by \$281,266 or 18% mainly due to the filling of vacant positions.
- (d) Maintenance and Operations increased by \$176,137 or 8% in 2014 mainly due to increase in activities carried out in maintenance of equipment and operation costs for both the Departments of Fisheries and Forestry. Increased in costs for maintenance of motor vehicles and for power supply.
- (e) Purchase of Goods and Services decreased by \$88,255 or 10% in 2014 as there was no major procurements for goods in 2014.
- (f) Operating Grants & Transfers decreased by \$28,080 or 7% in 2014 mainly due to reduction in activities.
- (g) Special Expenditure decreased by \$183,894 or 55% in 2014 due to the decrease in funds allocated under this SEG in 2014.
- (h) Pine woodlot logging packages were purchased for Narocake - Gau and Cicia Pine Schemes., thus the increase in Capital Purchases by \$791,075 or 100% in 2014.
- (i) Direct Labour decreased by \$23,241 or 19% in 2014 due to the reduction in TMA casual labourers numbers by three staff.

MINISTRY OF FISHERIES AND FORESTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 3: SIGNIFICANT VARIATIONS (continued)

- (j) The TMA operating expenses increased by \$67,115 or 167% in 2014 due to the semi commercialisation of TMA operations.
- (k) Loss of Fixed Assets increased by \$242,312 or 975% in 2014. Unserviceable computer equipment and motor vehicles were approved for write-off.

NOTE 4: APPROPRIATION MOVEMENTS

Appropriate movements were made through virements as follows:

From	To	Amount \$
SEG 1	SEG 3	108,250
	SEG 4	191,267
	SEG 5	1,003
SEG 4	SEG 3	3,591
	SEG 4	34,498
	SEG 5	1,951
SEGs 1 to 7	SEG 1	943,813
	SEG 2	557,127
	SEG 3	2,965

NOTE 5: TRADING AND MANUFACTURING ACTIVITY

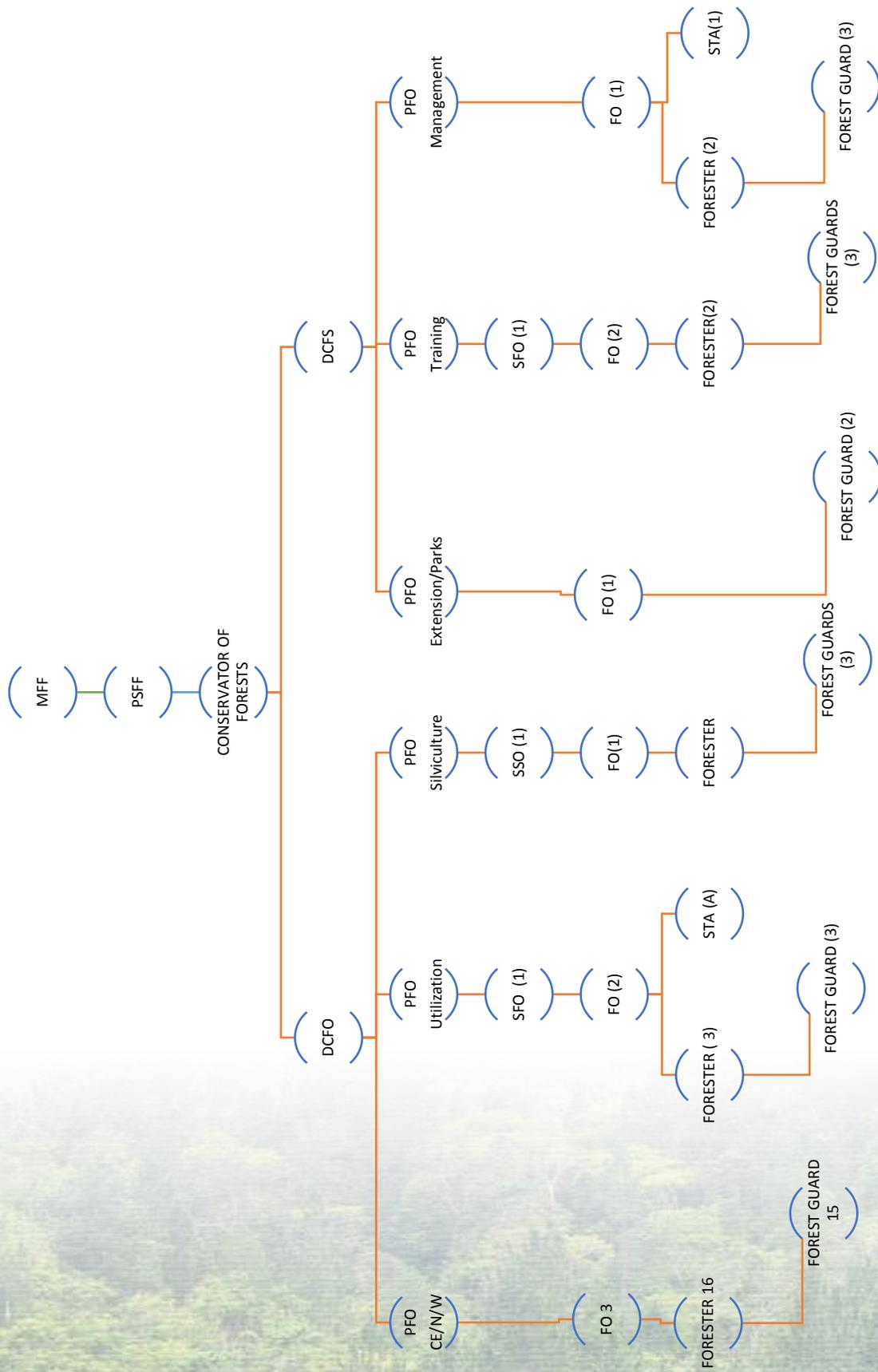
The Trading and Manufacturing Activity consists of commercial undertaking of processed timber and furniture.

5.0. APPENDICES

APPENDIX 1: FORESTRY DEPARTMENT ANNUAL BUDGET & EXPENDITURE STATEMENT

FORESTRY DEPARTMENT										
SUMMARY FOR PROGRAM 2 AS AT 31ST DECEMBER, 2014										
SEG	DESCRIPTION	APPROPRIATION	YTD APPTN	YTD COMMIT	YTD %	OUTSTANDING	ACTUAL	BALANCE	% RATE YTD COMMIT/APPTN	% RATE ACTUAL/APPTN
SEG 1	EST STAFF	2,741,759	2,741,759	2,704,706	793	0	2,704,706	37,053	98.64	98.64
SEG 2	UNEST STAFF	1,137,321	1,137,321	1,129,349	791	0	1,129,349	7,972	99.29	99.29
SEG 3	TRAVEL & COMMNTN	171,470	171,470	166,300	761	0	166,300	5,170	96.98	96.98
SEG 4	MAINT & OPERTN	411,717	411,717	389,480	748	0	389,480	22,237	94.59	94.59
SEG 5	PURCHASE OF GOODS & SERVICES	638,388	638,388	634,142	783	0	634,142	4,246	99.33	99.33
SEG 6	OPERATING GRANTS & TRANSFERS	370,286	320,286	370,283	116	0	370,283	3	99.99	99.99
SEG 7	SPECIAL EXPENDITURE	102,500	82,423	74,192	150	0	74,192	28,308	72.38	72.38
TOTAL OPERATING		5,573,441	5,503,364	5,468,452	4,142	0	5,468,452	104,989	98.11	98.11
SEG 8	CAPITAL CONSTRUCTION	1,454,000	1,270,122	1,223,036	378	0	1,223,036	230,964	84.11	84.11
SEG 9	CAPITAL PURCHASE	1,090,000	828,075	791,075	96	0	791,075	298,925	72.57	72.57
TOTAL CAPITAL		2,544,000	2,098,197	2,014,111	473	0	2,014,111	529,889	79.17	79.17
SEG 13	VAT	595,600	595,600	567,796	753	0	567,796	27,804	95.33	95.33
TOTAL		8,713,041	8,197,161	8,050,359	5,368	0	8,050,359	662,682	92.39	92.39

APPENDIX 2: ORGANIZATIONAL STRUCTURE



APPENDIX 3: ROYALTY RATES & CLASSES

Class	Royalty Rate/m ³	Fees/m ³
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

APPENDIX 4: TIMBER SPECIES HARVESTED

Ranking No.	Species Code	Species Name	Species ID	Species Class	Total Volume Extracted (m ³)	Percentage	Accumulate
1	601	Pine-P	PINP	6	15,171	23	23
2	207	Kaudamu	KDM	2	9,727	15	38
3	201	Damanu	DMN	2	6,105	9	47
4	102	Dakua m	DKM	1	5,405	8	55
5	208	Kauvula	KVL	2	4,282	6	62
6	501	Mahogany-P	MAHP	5	4,061	6	68
7	411	Others	OTH	4	3,894	6	74
8	103	Dakua s	DKS	1	3,338	5	79
9	210	Kaunicina	KCN	2	2,111	3	82
10	308	Yasiyasi	YSS	3	1,935	3	85
11	410	Waciwaci	WAC	4	1,662	3	87
12	206	Bauvudi	BVD	2	1,507	2	90
13	108	Vesi	VES	1	1,250	2	92
14	205	Raintree	RAN	2	1,194	2	93
15	303	Rosarosa	RRS	3	961	1	95
16	209	Mavota	MVT	2	582	1	96
17	305	Sausauira	SSR	3	550	1	97
18	304	Sacau	SAC	3	542	1	97
19	105	Yaka	YAK	1	310	0	98
20	107	Rosawa	ROS	1	244	0	98
21	407	Sarosaro	SRO	4	224	0	99
22	307	Vaivai-ni-veikau	VNV	3	154	0	99
23	302	Laubu	LBU	3	142	0	99
24	101	Amunu	AMN	1	127	0	99
25	310	Doi	DOI	3	123	0	99
26	306	Tivi	TIV	3	101	0	100
27	211	Kauceuti	KCT	2	89	0	100
28	405	Moivi	MOI	4	56	0	100

Ranking No.	Species Code	Species Name	Species ID	Species Class	Total Volume Extracted (m ³)	Percentage	Accumulate
29	402	Koka	KOK	4	37	0	100
30	406	Sa	SSA	4	24	0	100
31	104	Kuasi	KUA	1	19	0	100
32	202	Dabi	DAB	2	18	0	100
33	409	Vutu	VUT	4	16	0	100
34	106	Buabua	BUA	1	12	0	100
35	401	Vuga	VUG	4	11	0	100
36	203	Dilo	DIL	2	8	0	100
37	301	Dogo	DOG	3	8	0	100
38	204	Nawanawa	NAW	2	5	0	100
39	309	Qumu	QUM	3	2	0	100
40	408	Velau	VEL	4	2	0	100
41	212	Sagali	SAG	2	1	0	100
42	403	Mako	MAK	4	1	0	100
Total					66,011		

Out of the forty two (42) timber species harvested for 2014, only eight (8) species make up 82 percent of the total volume harvested for all species (both native and exotics). The species include Pine, Kaudamu, Damanu, Dakua Makadre, Kouvula, Mahogany-P, Others, Dakua Salusalu and Kaunicina. Thirty species make up 18 percent of the remaining timber species harvested in 2014.

APPENDIX 5: MINOR FOREST PRODUCE PRODUCTION

OVERALL SUMMARY FOR MINOR FOREST PRODUCE 2014					
MINOR FORESTS	Central/Eastern	Western	Northern	Total	
Buabua (lm)	0	0	402	402	
Pine Firewood (m3)	0	4,847	0	4,847	
Raintree Firewood (m3)	0	900	0	900	
Pine Post (ton)	790	0	0	790	
Firewood (m3)	14	0	0	14	
Inland Poles (lm)	172	0	0	172	
Mangrove Fuel (m3)	39	0	0	39	
Inland Fuel (m3)	31	0	0	31	
Fuelwood (m3)	14	0	0	14	
Albizia (m3)	0	0	0	-	
Converted Timber (m3)	0	0	112	112	

OVERALL SUMMARY FOR MINOR FOREST PRODUCE 2014				
MINOR FORESTS	Central/Eastern	Western	Northern	Total
Cavua Poles (ton)	4,529	0	0	4,529
Charcoal(ton)	45	0	0	45
Boat Knee	0	0	0	-
Dridriwi (m3)	0	0	2,643	2,643
Soga Leaves (lm)	146,865	0	0	146,865
Misimisi (bundle)	1,593	0	0	1,593
Walai (m)	20	0	0	20
Firewood (others)	75	0	0	75

APPENDIX 6: TREATMENT PLANTS AND SAWMILL STATUS

Licensed Treatment Plants

Item No.	Reg. Plant No.	Operator	Contact Details	Status
1	892	Dayal Sawmill Ltd	Kings Rd Yalalevu, Ba Ph: 667 5605	Licensed
2	770	Designstech	40 Bouwalu St, Lautoka Ph: 666 1958	Licensed
3	886	Fiji Forest Industries	P.O. Box 69, Labasa Ph: 881 1088 Fax: 881 3088	Licensed
4	890	Fiji Hardwood Corporation Ltd	6 Carpenter St, Raiwai, Suva Ph: 337 2663	Licensed
5	898	Hanshine Enterprises Ltd	Naqelekula, Savusavu Ph: 885 0251	Licensed
6	884	Island Forest Timber & Hardware Supplies	-	Licensed
7	894	K.K.Komove Logging & Co. Ltd	45 Ravouvou St, Nadi Ph: 666 6944	Licensed
8	903	Lomolomo Sawmill	Lomolomo, Lautoka Ph: 628 4181/628 1041	Licensed
9	876	Lumber Processor Limited	Balaga Bay, Savusavu Ph: 885 0836 and1 Omkar Rd, Narere Ph: 339 4049	Licensed
10	888	Nur Ahmed & Co. Ltd	P.O. Box 60, Navua Yarawa Queens Rd, Serua Ph: 368 3900 Fax: 368 3901	Licensed
11	885	Rambisesar & Sons (Kam Indust Ltd)	-	Licensed
12	901	Southern Forest Products Ltd	Lot 1 Daniva Rd, Nasinu Ph: 339 4544 Fax: 339 2912	Licensed
13	893	Tropik Wood Industries	Vakabuli Village Rd, Lautoka Ph: 666 1388	Licensed

Item No.	Reg. Plant No.	Operator	Contact Details	Status
14	877	TropikForest Joint Venture	Vakabuli Village Rd, Lautoka Ph: 666 1388	Licensed
15	896	Valebasoga Tropikboards Ltd	Wakaya Subdivision, Labasa Ph: 881 1286	Licensed
16	904	Vitiana Timber Ltd	Nokonoko Pl, Nasinu Ph: 339 3477	Licensed
17	895	Waiqele Sawmill	Qelewaqa Labasa Ph: 881 1819	Licensed

Source: Timber Utilization Division, Forestry Department, Nasinu

Unlicensed Treatment Plants

Item No	Reg. Plant No.	Operator	Status
1	887	Amras Earthworks Ltd	Plant Upgrading dripping pad area, and timber rails track
2	900	Fiji Pine Ltd	Awaiting for OHS, Waste Permit and Medical Report
3	883	Global Import & Export Ltd	Plant Upgrading, awaiting material supplied by Koppers Arch
4	889	Touch Wood Investment Ltd	Plant upgrading, installation of a new cylinder, mixing tank & storage tank
5	902	Vunimoli Sawmill Ltd	Plant need to upgrade facilities

Source: Timber Utilization Division, Forestry Department, Nasinu.

List of Static Sawmill

Item No	Static Sawmills	License No	Status
NORTHERN DIVISION			
1	Dalomo Sawmill	99	Licensed
2	Fiji Forests Industries	32	Licensed
3	Hanshine Enterprise	165	Licensed
4	Jay Narayan & Ratu Isikeli	146	Licensed
5	Lumber Processor	141	Licensed
6	Raviravi Sawmill	160	Licensed
7	Valebasoga Tropikboards	150	Licensed
8	Vunimoli Sawmill	80	Licensed
9	Waiqele Sawmill	40	Licensed
10	Taiwan Timber	156	Unlicensed
SOUTHERN DIVISION			
11	Island Tropical Forest	208	Licensed
12	Southern Forests Products	134	Licensed
13	Touchwood Investment	93	Licensed
14	Utilisation Sawmill	72A	Licensed
15	Vitiana Sawmill	171	Licensed
16	Waivunu Sawmill (FHCL)	157	Licensed
17	Sustainable Forests Industries	158	Unlicensed
18	Yarawa Sawmill	25	Unlicensed
WESTERN DIVISION			
19	Best Industries	129	Licensed
20	Dayals Sawmill	136	Licensed
21	Designstech Industries	172	Licensed

Item No	Static Sawmills	License No	Status
22	Global Food Imports	181	Licensed
23	Highland Forest Logging	195	Licensed
24	K.K.Komove Sawmill	145	Licensed
25	Lomolomo Sawmill	96	Licensed
26	Tropik Forest Joint Venture	166	Licensed
27	Tropic Woods Industries	81	Unlicensed
28	Arula Investment	66	Un-operational

Source: Timber Utilization Division, Forestry Department, Nasinu.

*Unlicensed – not operational in 2014.

List of Portable Sawmills

Item No.	Sawmills	License No.	Status
NORTHERN			
1	Vanua Sawmill	192	Licensed
2	Jaydil Sawmill	208	Licensed
3	Palmwood Industries	177	Un-operational
4	CIDA	180	Un-operational
SOUTHERN			
5	Baba Forests	169A	Licensed
6	Nacaubuta Sawmill	170A	Licensed
7	Toga Sawmill	176	Licensed
8	Vunidomodua Sawmill	183	Licensed
9	Yavusa Vugalei Enterprise	186	Licensed
10	Fiji Pine Trust	178	Licensed
11	Resource Management Ltd	190A	Licensed
12	Resource Management Ltd	190B	Licensed
13	Qalitakivuna Sawmill	194	Licensed
14	Cyberlink Sawmill	198	Licensed
15	Burenitu Enterprises	199	Licensed
16	DAT Logging	204	Licensed
17	Infocus Sawmill	205	Licensed
18	Forest of Fiji	184	Licensed
19	Nukurua Mahogany Trust	206	Licensed
20	Trump Sawmill	191	Licensed
21	New Mart Auto Sales	209	Licensed
22	Baba Forests	169B	Unlicensed
23	Evergreen Forest	174	Unlicensed
24	Affordable Timbers	189	Unlicensed
25	Viti Timbers Processors	193A	Unlicensed
26	Viti Timbers Processors	193B	Unlicensed
27	Viti Timbers Processors	193C	Unlicensed
28	Naita Logging	203	Unlicensed
29	Lakeba Pine Scheme	138	Unlicensed
30	Lutu Sawmill	175	Un-operational
31	Tapa Timbers	187A	Un-operational
32	Yarawa Timbers Hardware	187B	Un-operational

Item No.	Sawmills	License No.	Status
WESTERN			
33	Naboutini Sawmill	202	Licensed
34	Cuvu Sawmill	199	Licensed
35	Metro Civil Supplies	207	Licensed
36	Jacks Handicraft Sawmill	168	Unlicensed
37	Kantas Construction	185	Unlicensed
38	Iitui Enterprise	179	Unlicensed
39	Kali & Madrai Sawmill	182	Unlicensed
40	Nakoro Forest Sawmill	188	Unlicensed
41	Rainbow Springs Sawmill	200	Unlicensed
42	Graceland Timber	201	Unlicensed

Source: Timber Utilization Division, Forestry Department, Nasinu

*Unlicensed – not operational in 2014.



DEPARTMENT OF FORESTRY

Headquarters Level 3, Takayawa Building, Toorak Road, Suva
Phone: (679) 3301 611
Fascimile: (679) 3318 692
website: www.forestry.gov.fj