

# PSC CIRCULAR

Public Service Commission, Berkley Crescent, P. O. Box 2211  
Government Buildings, Suva. Telephone 3-314-588

## PSC Circular No. 16/2008

**TO:** Permanent Secretaries and Heads of Departments

**FILE:** 29/217/24

**SUBJECT: Household Income And Expenditure Survey** Date: 26.05.08  
**(HIES) 2008-09**

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The Fiji Bureau of Statistics will be undertaking a HIES over the period 26<sup>th</sup> May 2008 to 30<sup>th</sup> May 2009. The information to be gathered is one of the most important in terms of Government requirements since it covers poverty. Poverty alleviation is etched on top of government's development programmes therefore gathering relevant information is a high priority. Data gathering for such surveys need to be carried out over a 12- month period to account for seasonal variations in patterns of income and Expenditure. The main areas where data will be utilized are:

- To derive poverty measures whereby data from HIES is used to develop a "Poverty Line" which is created using income and Expenditure information from Fiji Households and this determines the level below which Households are considered to be in "poverty". Once the poverty line is constructed HIES data can be used over time to determine whether the number and type of Fiji households considered to be in poverty is changing.
- The revision of the weighting pattern of the Consumer Price Index (CPI) Basket. Fiji like other countries needs a general measure of the rate of price change on the goods and services purchased by households, the CPI is used for this purpose. The simplest way to think of this is a measure of the total cost of goods and services purchased by Fiji consumers. Price changes of particular goods and services will alter the cost and the CPI will measure this change over time. The expenditure weights of the CPI show the relative importance of each item in the set of goods and services included in the index regime. The Weights are established with respect to the purchasing patterns of households as gathered from the HIES. These need to be changed regularly mainly to account for changing preferences thus changing purchasing patterns by households. The indicator has numerous important uses the most commonly known being for wage negotiations and to inflate or deflate benchmark data economic surveys.
- The level of variation in prices in different areas of the country is also determined from HIES information. Relevant measures to address the problem can then be put in place once levels are determined. For instance people in rural communities are paying much more for consumer goods than urban dwellers due to additional transportation costs. Differing costs by area can be the basis and justification of determining the provision of government subsidy that ensures costs remain at similar levels in these areas.
- The National Accounts which provides a comprehensive picture of the economy and uses a variety of information sources. One aspect of the National Accounts is private

consumption of Fiji households and HIES data is used to update this estimate. A principal aggregate of the National Accounts is the Gross Domestic Product (GDP).

- To derive social indicators like the unemployment rate and employment numbers in the informal sector.

Conducting household surveys is an extremely difficult and expensive exercise. The success of any survey depends on the willingness of respondents to supply required information. Therefore the cooperation of the whole government machinery is required in whatever means possible as a requisite for mustering the support of the wider community, a portion of which would be selected as respondents in the survey. Civil Servants in household selected for the survey are urged to cooperate in providing the correct details. Permanent Secretaries, Heads of Departments and heads of district offices are urged to partake in creating awareness through publicity etc. Publicity pamphlets or posters will be sent out soon. Please ensure the pamphlets are widely distributed and the posters are placed in positions that can capture the attention of the public.

Please contact Mr. Epeli Waqavonovono of the Fiji Islands Bureau of Statistics (Telephone 3315822 extension 134) for further clarification.



Taina Tagicakibau[Mrs]  
**Permanent Secretary for the Public Service**